

15 APR 1948

"Enabling Act"

26 November 1946

Memorandum to Director of Central Intelligence
From Walter L. Pforzheimer
Revised Current draft of proposed legislation for
CIA
(Tab 1)

No Date

Statement of Lt. Gen. Hoyt S. Vandenberg, DCI
Before the Armed Services Committee of the U.S.
Senate on S. 758, The National Security Act
of 1947
(Tab 2)

10 March 1947

Draft No. 4 "A Bill for the Establishment of a
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(Tab 3)

No Date

Draft "A Bill for the Establishment of a National
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Excerpts from Hearings of the Senate Armed
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Draft "A Bill for the Establishment of a
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Draft of Proposed CIA Legislation
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Draft of Proposed CIA Legislation
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Memorandum from Legislative Liaison Office
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Draft of Proposed CIA Legislation
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Memorandum for the Director of the Bureau of the
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CONFIDENTIAL

"Enabling Act"

- 10 March 1948 Letter to Bureau of the Budget from President, Civil Service Commission. Commission views with respect to draft bill "To provide for the Administration of the Central Intelligence Agency, established pursuant to Sec. 102, National Security Act of 1947, and for other purposes."
(Tab: 12)
- 11 March 1948 Letter to the Bureau of the Budget from the Department of State.
Views of the State Department concerning the draft bill providing for administration of CIA
(Tab 13)
- 12 March 1948 B-74185 Comptroller General's Decision to the Director, Bureau of the Budget. GAO comments on proposed bill "A Bill to provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."
(Tab: 14)
- 13 March 1948 S. 2306 80th Congress 2nd Session
To provide for the administration of the Central Intelligence Agency established pursuant to Section 102, National Security Act of 1947, and for other purposes.
(Tab: 15)
- 17 March 1948 Letter to Bureau of the Budget from Department of Justice.
Views of the Justice Department concerning the draft bill providing for administration of CIA
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- 26 March 1948 Explanation of the Provisions of H.R. 5871
(Tab: 17)
- 29 March 1948 Draft of Justification of Legislative Provisions for CIA
(Tab: 18)
- No Date Provisions of Section 8 (e) of proposed CIA legislation, justification, and examples.
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- 6 April 1948 Letter to Director, CIA from Bureau of the Budget.
No objection to CIA presenting, for the consideration of Congress, revised draft "To provide for the Administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."
(Tab: 20)

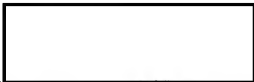
Approved For Release 2003/02/27 : CIA-RDP80-01370R000400010002-5


Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Edward Saunders, Chief, Finance Branch DATE: 3 December 1946
FROM : Mr. Pforzheimer
SUBJECT: Proposed C.I.G. Enabling Act

1. Attached herewith is a copy of the proposed C.I.G. Enabling Act as was forwarded to the White House.

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WALTER L. PFORZHEIMER
Chief, Legislative *et* Liaison Branch

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26 November 1946

MEMORANDUM TO THE DIRECTOR OF CENTRAL INTELLIGENCE

Subject: Proposed C.I.G. Legislation

1. Attached herewith is a revised current draft of proposed legislation for C.I.G.
2. Section 5 of this proposed legislation has been omitted, pending the drafting of a "Control of Information" Section to supplement the present Espionage Laws.
3. Also attached is a comment on the suggestions of Mr. Clark M. Clifford on the proposed draft submitted to the White House in July, 1946, together with a copy of his comments.

WALTER L. PFORZHEIMER
Chief, Legislative Liaison Branch

**A BILL FOR THE ESTABLISHMENT OF A NATIONAL INTELLIGENCE AUTHORITY AND
A CENTRAL INTELLIGENCE AGENCY**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Sec. 1. (a) Findings and Declaration: -----

In enacting this legislation, it is the intent of Congress to provide a comprehensive and continuous program which will effectively accomplish the national intelligence mission of the United States by supplying the President of the United States, the Secretaries of State, War, and the Navy, and such other governmental officials as shall be appropriate, with foreign intelligence of the highest possible calibre. To accomplish this mission, a central intelligence agency is required by the United States. This agency shall insure the production of the foreign intelligence necessary to enable the appropriate officials of the Government to be informed fully in their dealings with other nations, and to enable these officials to formulate national policies and plans which this Government is to pursue in order to avert future armed conflicts and assure the common defense and security of the United States. The accomplishment of this service is the national intelligence mission of the United States.

Experience preceding, during, and following two World Wars has proven that the uncoordinated decentralization of the collection, research, and dissemination of foreign intelligence information among many departments and agencies of the Government is unsatisfactory. In an attempt to remedy this situation in times of national crises, emergency means have repeatedly been adopted. These experiences have shown the need for a permanent, centralized, intelligence agency so that all the foreign intelligence sources and facilities of the Government may be utilized to the fullest extent in the production of foreign intelligence, and so that their greatest potentialities may be realized most efficiently and economically, with a resultant elimination of unproductive duplication and unnecessary overlapping of functions in the accomplishment of the national intelligence mission of the United States.

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Accordingly, it is hereby declared to be the policy of the people of the United States that in order to strengthen the hand of the Government in formulating national policies and conducting relations with other nations, and subject at all times to the paramount objective of assuring the common defense and security, the foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this Act, be operated centrally for the accomplishment of the national intelligence mission of the United States.

Section 1. (b) Purpose of Act. —

It is the purpose of this Act to carry out the policies set forth in Section 1 (a) by providing for the execution, among others, of the following major programs relating to intelligence:

- (1) A program for the centralized operation of such foreign intelligence activities of the Federal Government as the National Intelligence Authority determines can so be performed most effectively, efficiently, and economically.
- (2) A program for the planning and development of all foreign intelligence activities of the Federal Government, and including the coordination of those activities of the departments and agencies of the Government designed for the production of foreign intelligence.
- (3) A program for the collection of foreign intelligence information by any and all means deemed effective.
- (4) A program of evaluation, correlation, and interpretation of the foreign intelligence information collected, in order to produce intelligence for the President and the appropriate departments and agencies of the Federal Government.
- (5) A program for dissemination to the President and the appropriate departments and agencies of the Federal Government of the intelligence produced.
- (6) A program for the full administration and implementation of the above.

DEFINITIONS

Sec. 2. As used in this Act:

- (1) The term "foreign intelligence" shall be construed to mean the product of the timely evaluation, correlation, and interpretation of foreign intelligence information.
- (2) The term "foreign intelligence information" shall be construed to mean all data pertaining to foreign governments or areas, which may affect the foreign policy or the national defense and security of the United States.
- (3) The term "research" shall be construed to mean a process of evaluation (selection), correlation (synthesis), and interpretation (analysis) of intelligence information for the production of intelligence.
- (4) The term "evaluation" shall be construed to mean a process of systematic and critical examination of intelligence information for the purpose of determining its usefulness, credibility, and accuracy.
- (5) The term "correlation" shall be construed to mean a process of synthesis of intelligence information with all available related material.
- (6) The term "interpretation" shall be construed to mean a process of determining the probable significance of evaluated intelligence information.

ORGANIZATION

Sec. 3 (a) National Intelligence Authority.-----

(1) There is hereby established a National Intelligence Authority (hereinafter called the Authority) of five members. The Secretary of State, the Secretary of War, and the Secretary of the Navy shall be members of the Authority. The President shall designate a fourth member of the Authority to serve as his personal representative thereon. The Secretary of State, the Secretary of War, the Secretary of the Navy, and the personal representative of the President shall constitute the sole voting members of the Authority. The Director of Central Intelligence, hereinafter provided for, shall sit as the fifth member of the Authority, as a non-voting member thereof. The Secretary of State shall serve as Chairman of the Authority.

(2) The members of the Authority shall hold their positions thereon by virtue of their respective offices. The members of the Authority shall serve without compensation for this service and shall perform this service in addition to such other activities, public or private, as they may engage in.

(3) In the absence of the Secretaries of State, War, or the Navy, the appropriate Acting Secretary shall sit as a member of the Authority. If the personal representative of the President is absent, the Secretaries (or Acting Secretaries) of State, War, and the Navy shall constitute a quorum of the Authority.

(4) The Authority shall hold such meetings, conduct such hearings, and receive such reports as may be necessary to enable it to carry out the provisions of this Act. The Authority shall meet at least once each month.

(5) The Authority shall be served by a Secretariat, consisting of a Secretary and such other technical, administrative, and clerical assistance as the Authority shall deem necessary. The Central Intelligence Agency, hereinafter provided for, ^{shall} ~~will~~ be responsible for furnishing the Secretariat with personnel. The Secretariat of the Authority shall also serve as the Secretariat of the Intelligence Advisory Board, hereinafter provided for, performing the same duties for this Board as for the Authority.

(6) The Authority shall determine policies and objectives for, and supervise

and direct, the Central Intelligence Agency, hereinafter provided for, in the planning, development, and coordination of the foreign intelligence activities of the departments and agencies of the Government, as well as in the conduct of those foreign intelligence operations performed centrally, in such manner as to assure the most effective accomplishment of the national intelligence mission.

(7) The Authority shall have the right to transfer responsibilities and authorities in the field of foreign intelligence between departments and agencies of the Government.

(8) Policies approved by the Authority in relation to the foreign intelligence activities of the United States, insofar as they affect the national defense and security, shall govern the intelligence activities of the various departments and agencies of the Government.

(9) If the decisions of the Authority on matters set forth in Sec. 3 (a) (6) and (7) of this Act are not unanimous, the Authority shall refer the matter to the President, whose decision shall be final.

Sec. 3 (b) Central Intelligence Agency. ———

(1) There is hereby established a Central Intelligence Agency (*hereinafter* called the Agency), with a Director of Central Intelligence who shall be the head thereof, to be appointed from civilian or military life by the President, by and with the advice and consent of the Senate, to serve at the pleasure of the President. The Director shall receive compensation at the rate of \$17,500 per annum.

(2) There shall be a Deputy Director of the Central Intelligence Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate, to serve at the pleasure of the President. The Deputy Director shall receive compensation at the rate of \$15,000 per annum. The Deputy Director shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director of Central Intelligence, and to act as Director in the absence of that officer, or in the case of a vacancy in the office of Director.

(3) The functions of the Agency, as outlined in Sec. 4 of this Act, shall be performed by the appropriate offices of the Agency. Each office shall be under the direction of an Assistant Director, who shall be appointed by the Director of Central Intelligence, and shall receive compensation at the rate of \$14,000 per annum. The Assistant Directors shall be not less than four (4) and not to exceed six (6) in number.

(4) Any officer of the Department of State, or of the Foreign Service of the United States, and any commissioned officer of the United States Army, the United States Navy, or the United States Army Air Forces, may be assigned to or detailed for duty with the Agency; and such service shall in no way affect any status, office, rank, or grade he may occupy or hold in the Department of State, the Foreign Service of the United States, the United States Army, the United States Navy, or the United States Army Air Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, notwithstanding the provisions of Title 10 U. S. Code, Sec. 576 and Public Law 724, 79th Congress, approved August 13, 1946, and entitled "An Act to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating

to its administration," or any other law pertaining to such pay and allowances. Any such officer of the Department of State, the Foreign Service of the United States, or commissioned officer on the active list shall receive, while serving in a position established in Sec. 3 (b) of this Act, the State Department, the Foreign Service, or the pay and allowances payable to an officer of his grade and length of service, and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the difference between the salary set forth for such position in Sec. 3 (b) of this Act and the amount of such State Department, Foreign Service, or military pay and allowances.

(5) Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C. 62), or section 6 of the Act of May 10, 1916 (39 Stat. 126), as amended (5 U.S.C. 58, 59), the Director of Central Intelligence may appoint to, and employ in, any civilian office or position in the Agency, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed and, except as provided in section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U.S.C. 59a), any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Agency or the receipt of the pay thereof.

Section 3. (c) ~~Intelligence~~ Advisory Board. _____

(1) The Director of Central Intelligence shall be advised by an Intelligence Advisory Board, (hereinafter called the Board), consisting of the heads (or their representatives) of those civilian and military intelligence agencies of the Government having functions related to the national defense and security, as determined, from time to time, by the National Intelligence Authority.

(2) Members of the Board shall serve without compensation for this service and shall perform this service in addition to such other activities, public or private, as they may engage in.

(3) The Intelligence Advisory Board shall be served by a Secretariat, as provided for in Section 3 (a) (5) of this Act.

(4) Any recommendation of the Agency which is approved unanimously by the Director of Central Intelligence and the Board, and which they have the existing authority to execute, may be put into effect without action by the Authority.

(5) Any recommendation of the Agency which does not receive such unanimous concurrence shall be submitted to the Authority for decision, together with the dissenting opinions.

FUNCTIONS

Sec. 4. Functions of the Central Intelligence Agency. —

- (a) In order to assure the most effective accomplishment of the national intelligence mission of the United States, the Agency shall, under the supervision and direction of the Authority:
- (1) Develop and recommend to the Authority establishment of over-all policies, plans, requirements, objectives, and procedures to assure the most effective accomplishment of the national intelligence mission and to implement the provisions of this Act;
 - (2) Coordinate such of the foreign intelligence activities of the departments and agencies of the Government as relate to the national defense and security;
 - (3) Collect foreign intelligence information originating outside the continental limits of the United States by any and all means deemed effective;
 - (4) Give timely evaluation, correlation, and interpretation to foreign intelligence information;
 - (5) Disseminate national intelligence to the President and appropriate departments and agencies of the Government;
 - (6) Operate such foreign intelligence services as the Authority determines can best be performed, or be more efficiently or economically accomplished, centrally;
 - (7) Administer the personnel and logistical needs of the Agency, including the procurement, training, and supervision of the Agency's personnel, its budgetary requirements and disbursement of funds, and the provision of administrative and logistical support for the foreign activities of the Agency;
 - (8) Be responsible for fully protecting sources and methods used in the collection of foreign intelligence information received by the Agency;
 - (9) Provide for the internal security of the Agency, including the complete security of its policies, plans, requirements, objectives, procedures, operations, and personnel;
 - (10) Formulate and promulgate integrated security policies and procedures pertaining to the safeguarding of classified information and matter of the various departments and agencies of the Government, in the interest of the national defense and security; and
 - (11) Perform such other functions and duties relating to foreign intelligence as the President or the Authority may direct.

(b) The responsibility and authority of the departments and agencies of the Government to collect, evaluate, correlate, interpret, and disseminate departmental intelligence shall not be affected, except to the extent that the Authority may relieve them of such responsibility and authority pursuant to the provisions of Sec. 3 (a) (8) of this Act.

(c) As required in the carrying out of the provisions of this Act, there will be made immediately available on a continuing basis to the Agency all intelligence, information, and ^{such} facilities ^{as may be necessary} in the possession of the various departments and agencies of the Government.

(d) To the extent recommended by the National Intelligence Authority, and ~~approved by the President,~~ the intelligence operations of the departments and agencies of the Government shall be open to inspection by the Agency in connection with its planning functions.

(e) The Agency shall have no police, subpoena, or law enforcement powers or functions, nor shall it have any functions concerning the internal security of the United States except as specifically authorized by Secs. 4 (a) (8) (9) and (10) of this Act.

GENERAL AUTHORITY

Section 6. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (1) Procure necessary services, supplies and equipment without regard to the provisions of Section 3709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;
- (2) Pay quarters and cost of living allowances or in lieu thereof a salary differential to employees having permanent station outside the continental limits of the United States;
- (3) Transfer to and receive from ^{funds available to} other departments or agencies of the Government such sums as may be authorized by the Bureau of the Budget, either as advance payment or reimbursement of appropriation for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law concerning transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;
- (4) Order to the continental United States on leave of absence any officer or employee of the Agency upon completion of two (2) years continuous service abroad, and pay travel expenses incident thereto of employees and their dependents to their place of residence in the United States and return. Such leave will not exceed sixty (60) calendar days, and will be exclusive of time actually and necessarily spent in travel and awaiting transportation;
- (5) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, and other departments and agencies are hereby authorized so to assign or detail any officer or employee for duty with the Agency;
- (6) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);

- (7) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;
- (8) Establish advisory boards to advise with and make recommendations to the Agency on administration, legislation, operations, policies, research, and other matters;
- (9) Make such studies and investigations, obtain such information, and hold such hearings as the Agency may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or directives issued thereunder; and
- (10) Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 7. Appropriations:—

- (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.
- (b) Within the limits of such appropriations, the Director is authorized to employ persons and means and make expenditures, at the seat of Government and elsewhere, for personal services, rent, travel expenses, preparation and transportation of the remains of officers and employees who die abroad or in transit, while in dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; rental of news-reporting services; purchase of or subscription to law books, books of reference, periodicals, newspapers, commercial and trade reports; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of motor-propelled or horse-drawn passenger-carrying vehicles and other vehicles, aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.
- (c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (A) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

Section 8. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

Section. 9. This Act may be cited as the "Central Intelligence Agency Act of 1947".

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Statement of

LIEUTENANT GENERAL HOYT S. VANDENBERG
Director of Central Intelligence

Before The
Armed Services Committee
of the
United States Senate

On S. 758,
"The National Security Act of 1947".
- - -

FOR RELEASE ON DELIVERY

(756)

Mr. Chairman and members of the Committee:

My appearance before your Committee this morning is in support of Section 202 of the proposed National Security Act of 1947. This section of the bill would provide the United States, for the first time in its history, with a Central Intelligence service created by Act of Congress. Our present organization, the Central Intelligence Group -- which I have the privilege of directing -- has been in existence since January 1946, by authority of an Executive Directive of the President.

Since the day that the Central Intelligence Group was established, the Directors of Central Intelligence -- my predecessor, Admiral Souers, and I -- have looked forward to the time when we could come before the Congress and request permanent status through legislative enactment.

I sincerely urge adoption of the intelligence provisions of this bill. Section 202 will enable us to do our share in maintaining the national security. It will form a firm basis on which we can construct the finest intelligence service in the world.

In my opinion, a strong intelligence system is equally if not more essential in peace than in war. Upon us has fallen leadership in world affairs. The oceans have shrunk, until today both Europe and Asia border the United States almost as do Canada and Mexico. The interests, intentions and capabilities of the various nations on these land masses must be fully known to our national policy makers. We must have this intelligence if we are to be forewarned against possible acts of aggression, and if we are to be armed against disaster in an era of atomic warfare.

I know you gentlemen understand that the nature of some of the work we are doing makes it undesirable -- from the security standpoint -- to discuss certain activities with too much freedom. I feel that the people of this country, having experienced the disaster of Pearl Harbor and the appalling consequences of a global war, are now sufficiently informed in their approach to intelligence to understand that an organization such as ours -- or the Intelligence Divisions of the Armed Services, or the F.B.I. -- cannot expose certain of their activities to public gaze. I therefore ask your indulgence -- and through you the indulgence of the people -- to limit my remarks on the record this morning to a general approach to the subject of a Central Intelligence Agency.

I think it can be said without successful challenge that before Pearl Harbor we did not have an intelligence service in this country comparable to that of Great Britain, or France, or Russia, or Germany, or Japan. We did not have one because the people of the United States would not accept it. It was felt that there was something Un-American

about espionage and even about intelligence generally. There was a feeling that all that was necessary to win a war -- if there ever were to be another war -- was an ability to shoot straight. One of the great pre-war fallacies was the common misconception that, if the Japanese should challenge us in the Pacific, our armed services would be able to handle the problem in a matter of a few months at most.

All intelligence is not sinister, nor is it an invidious type of work. But before the Second World War, our intelligence services had left largely untapped the great open sources of information upon which roughly 80 per cent of intelligence should normally be based. I mean such things as books, magazines, technical and scientific surveys, photographs, commercial analyses, newspapers and radio broadcasts, and general information from people with a knowledge of affairs abroad. What weakened our position further was that those of our intelligence services which did dabble in any of these sources failed to coordinate their results with each other.

The Joint Congressional Committee to Investigate the Pearl Harbor Attack reached many pertinent conclusions regarding the short-comings of our intelligence system and made some very sound recommendations for its improvement. We are incorporating many of these into our present thinking. The Committee showed that some very significant information had not been correctly evaluated. It found that some of the evaluated information was not passed on to the field commanders. But, over and above these failures were others, perhaps more serious, which went to the very structure of our intelligence organizations. I am talking now of the failure to exploit obvious sources; the failure to coordinate the collection and dissemination of intelligence; the failure to centralize intelligence functions of common concern to more than one department of the Government, which could more efficiently be performed centrally.

In the testimony which has preceded mine in support of this bill -- by the Secretaries of War and the Navy, General Eisenhower, Admiral Nimitz, and General Spaatz, among others -- there has been shown an awareness of the need for coordination between the State Department and our foreign political policies on one hand and our National Defense Establishment and its policies on the other. Similarly with intelligence, there must be coordination and some centralization, so that no future Congressional Committee can possibly ask the question asked by the Pearl Harbor Committee: "Why, with some of the finest intelligence available in our history -- why was it possible for a Pearl Harbor to occur?"

The Committee recommended that intelligence work have centralization of authority and clear-cut allocation of responsibility. It found specific fault with the system of dissemination then in use -- or, more accurately, the lack of dissemination of intelligence to those who had vital need of it. It stated that "the security of the nation can be

insured only through continuity of service and centralization of responsibility in those charged with handling intelligence." It found that there is no substitute for imagination and resourcefulness on the part of intelligence personnel, and that part of the failure in this respect was "the failure to accord to intelligence work the important and significant role which it deserves." The Committee declared that "efficient intelligence services are just as essential in time of peace as in war."

All of these findings and recommendations have my hearty concurrence. In the Central Intelligence Group, and in its successor which this bill creates, must be found the answer to the prevention of another Pearl Harbor.

As the United States found itself suddenly projected into a global war, immense gaps in our knowledge became readily apparent. The word "intelligence" quickly took on a fashionable connotation. Each new war-time agency -- as well as many of the older departments -- soon blossomed out with intelligence staffs of their own, each producing a mass of largely uncoordinated information. The resultant competition for funds and specialized personnel was a monumental example of waste. The War and Navy Departments developed full political and economic intelligence staffs, as did the Research and Analysis Division of the O.S.S.. The Board of Economic Warfare and its successor, the Foreign Economic Administration, also delved deeply into fields of economic intelligence. Not content with staffs in Washington, they established subsidiary staffs in London and then followed these up with other units on the continent.

When, during the war, for example, officials requested a report on the steel industry in Japan or the economic conditions in the Netherlands East Indies, they had the reports of the Board of Economic Warfare, G-2, O.N.I. and the O.S.S. from which to choose. Because these agencies had competed to secure the best personnel, it was necessary for each of them to back up its experts by asserting that its particular reports were the best available, and that the others might well be disregarded.

As General Marshall stated in testifying on the unification bill before the Senate Military Affairs Committee last year, "...Prior to entering the war, we had little more than what a military attache could learn at a dinner, more or less over the coffee cups." From this start, we suddenly had intelligence springing up everywhere. But nowhere was its collection, production or dissemination fully coordinated -- not even in the armed forces. General Marshall pointed this out in his testimony when he mentioned "the difficulty we had in even developing a Joint Intelligence Committee. That would seem to be a very simple thing to do, but it was not at all."

There are great masses of information available to us in peace as in war. With our war-time experience behind us, we know now where to look for material, as well as for what to look. The transition from war to peace does not change the necessity for coordination of the collection, production and dissemination of the increasingly vast quantities of foreign intelligence information that are becoming available. This coordination the Central Intelligence Agency will supply.

President Roosevelt established the Office of Strategic Services for the purpose of gathering together men of exceptional background and ability who could operate in the field of national, rather than departmental, intelligence. In weighing the merits of the O.S.S., one should remember that it came late into the field. It was a stop-gap. Overnight, it was given a function to perform that the British, for instance, had been developing since the days of Queen Elizabeth. When one considers these facts, the work of the O.S.S. was quite remarkable and its known failures must be weighed against its successes. Moreover, it marked a crucial turning point in the development of United States intelligence. We are now attempting to profit by their experiences and mistakes.

Having attained its present international position of importance and power in an unstable world, the United States should not, in my opinion, find itself again confronted with the necessity of developing its plans and policies on the basis of intelligence collected, compiled, and interpreted by some foreign government. It is common knowledge that we found ourselves in just that position at the beginning of World War Two. For months we had to rely blindly and trustingly on the superior intelligence system of the British. Our successes prove that this trust was generally well placed. However, in matters so vital to a nation having the responsibilities of a world power, the United States should never again have to go hat in hand, begging any foreign government for the eyes -- the foreign intelligence -- with which to see. We should be self sufficient. The interests of others may not be our interests.

The need for our own coordinated intelligence program has been recognized in most quarters. The Pearl Harbor disaster dramatized that need and stop-gap measures were adopted. As the war drew to a close, the President directed the Joint Chiefs of Staff to study the problem and draft recommendations for the future. The solution offered by the Joint Chiefs of Staff was referred to the Secretaries of State, War, and the Navy. The program which they evolved resulted in an Executive Directive from President Truman, dated 22 January 1946. With your permission, Mr. Chairman, I would like to introduce that Executive Directive into the record at this point.

* * * * *

This Executive Directive established the National Intelligence Authority. It consists of four voting members -- the Secretaries of State, War and the Navy, and the President's personal representative, at this time his Chief of Staff, Fleet Admiral Leahy. A fifth member -- without a vote -- is the Director of Central Intelligence. The National Intelligence Authority was directed to plan, develop and coordinate all federal foreign intelligence activities, so as "to assure the most effective accomplishment of the intelligence mission related to the national security." These functions of the National Intelligence Authority are transferred to the National Security Council under Section 202 (c)(1) of the bill.

The President's Directive also provided for a Central Intelligence Group as the operating agency of the National Intelligence Authority. The functions, personnel, property and records of the Group are transferred to the new Central Intelligence Agency by Section 202 (c)(2) of the bill.

The Director of Central Intelligence is presently charged with the following basic functions:

1. The collection of foreign intelligence information of certain types -- without interfering with or duplicating the normal collection activities of the military and naval intelligence services, or the Foreign Service of the State Department.
2. The evaluation, correlation and interpretation of the foreign information collected, in order to produce the strategic and national policy intelligence required by the President and other appropriate officials of the Government.
3. The dissemination of the national intelligence produced.
4. The performance of such services of common concern to the various intelligence agencies of the Government as can be more efficiently accomplished centrally.
5. Planning for the coordination of the intelligence activities of the Government so as to secure the most effective accomplishment of the national intelligence objectives.

As we progress and determine the primary responsibilities of the various intelligence agencies within the Government, the functions of the C.I.G. will be aggressively, economically and efficiently executed to the best interests of all agencies. We feel confident that if Section 202 of this bill is enacted into law, the results will be efficiency and economy.

Contrary to some criticism which has appeared in the public press, the full operation of a Central Intelligence Agency will not interfere with the legitimate activities of the several departments and their agencies, nor will it duplicate their work. I can say that the several coordinated plans and programs already in effect or in preparation have the support of the agencies. They see in these programs prospects for orderly operations and elimination of wasteful duplications. When every intelligence agency knows exactly what is expected of it in relation to its departmental mission and to the national intelligence mission, and when it can count, as the result of firm agreement, on being supplied with what it needs from other fields, each agency can concentrate on its own primary field and do that superior job which world conditions require.

By the assignment of primary fields of intelligence responsibilities, we are -- in the fields of collection, production and dissemination -- preventing overlapping functions -- that is, eliminating duplicate roles and missions, and eliminating duplicate services in carrying out these functions.

In order to perform his prescribed functions, the Director of Central Intelligence must keep in close and intimate contact with the departmental intelligence agencies of the Government. To provide formal machinery for this purpose, the President's Directive established an Intelligence Advisory Board to advise the Director. The permanent members of this Board are the Directors of Intelligence of the State, War and Navy Departments and the Air Force. Provision is made, moreover, to invite the heads of other intelligence agencies to sit as members of the Advisory Board on all matters which would affect their agencies. In this manner, the Board serves to furnish the Director with the benefits of the knowledge, advice, experience, viewpoints and over-all requirements of the departments and their intelligence agencies.

One final thought in connection with the President's Directive. It includes an express provision that no police, law enforcement or internal security functions shall be exercised. These provisions are important, for they draw the lines very sharply between the C.I.G. and the F.B.I.. In addition, the prohibition against police powers or internal security functions will assure that the Central Intelligence Group can never become a Gestapo or security police.

Among the components of any successful intelligence organization are three which I wish to discuss -- collection, production, and dissemination. Collection in the field of foreign intelligence consists of securing all possible data pertaining to foreign governments or the national defense and security of the United States.

I feel it is safe to say that in peace time approximately 80 per cent of the foreign intelligence information necessary to successful operation can and should be collected by overt means. By overt means I mean those obvious, open methods which require, basically, a thorough sifting and analysis of the masses of readily available material of all types and descriptions. Into the United States there is funnelled so vast an amount of information from so many varied sources that it is virtually staggering. It encompasses every field of endeavor -- military, political, economic, commercial, financial, agricultural, mineral, labor, scientific, technical, among others -- an endless and inexhaustible supply.

There exists a misconception in the minds of some people regarding the task intelligence is to perform in time of peace, as contrasted with its task in time of war. This misconception is that in wartime intelligence is more important and more difficult than in time of peace. This is a fallacy. In the midst of a war, our armed forces, with their intelligence services, gather vast amounts of strategic and tactical information. This may be secured through the underground, or resistance movements, reconnaissance, prisoner-of-war interrogation, and aerial photographs taken in spite of enemy resistance -- to mention a few. But these sources are drastically reduced as our forces return home. Such information, which can be collected during actual combat, is largely denied us in peace-time. In times of peace, we must rely on the painstaking study of that available overt material I mentioned a minute ago, in order to replace the material readily available during combat.

If we fail to take advantage of these vast masses of material, we are deliberately exposing the American people to the consequences of a policy dictated by a lack of information. We must realize also that we are competing with other nations who have been building up their intelligence systems for centuries to keep their leaders informed of international intentions -- to inform them long before intentions have materialized into action.

Among the primary collecting agencies in the field of foreign intelligence are the military, air and naval attaches of the defense establishment, and the Foreign Service officers of the State Department. The Central Intelligence Group can not and will not supplant these people. They do most valuable work in the field of collection. As national aims and needs in this field are established, their value will be increasingly apparent. This will be particularly true as the boundaries of departmental collection become firmly defined, and wasteful duplication and overlap are eliminated or reduced.

As I stated, it is not the province of the Central Intelligence Group to take over departmental collection activities. This is the type of collection which can best be done by the experts of the departments in their various fields.

The role of the Central Intelligence Group is to coordinate this collection of foreign intelligence information and to avoid wasteful duplication. The State Department should collect political and sociological intelligence in its basic field. The Navy Department should devote its efforts primarily to the collection of naval intelligence. There should be no reason, for example, for the military attache to furnish the War Department with detailed political and political - economic analyses. This material should be collected by the State Department. If a military attache should receive political information, he should hand it right across the desk in the embassy to the appropriate member of the Foreign Service, and vice versa.

We are engaged in making continual surveys of all Government agencies to ascertain their requirements in foreign intelligence. When two or more agencies have similar or identical requirements, the collection effort for one can be made to satisfy all others. The only additional action necessary is the additional dissemination.

In determining, apportioning and allocating the primary field of responsibility among the various agencies of the Government, it is useful to note one additional factor. After this mass of material has been studied and evaluated, certain gaps in the over-all picture will be readily apparent. A centralized intelligence agency, intent on completing the national intelligence picture, must have the power to send out collection directives and request further material to fill these gaps. Once the initial field of collection is delineated, the responsibility for securing the additional information can be properly channeled and apportioned. Central intelligence, however, needs the authority granted originally by the President's Directive, and now by this proposed legislation, to coordinate all this foreign intelligence collection.

The second major component of a successful Central Intelligence Agency is that coming under the broad general heading of production. This involves the evaluation, correlation and interpretation of the foreign intelligence information gathered for the production of intelligence. It involves the process of systematic and critical examination of intelligence information for the purpose of determining its usefulness, credibility and accuracy. It involves the process of synthesis of the particular intelligence information with all available related material. It involves the process of determining the probable significance of evaluated intelligence.

Information gathered in the field is sent to the department responsible for its collection. This material is necessary to that department, in the course of its day-to-day operations. Each department must have personnel available to digest this information and put it to such use as is necessary within that department. The heads of Government departments and agencies must be constantly informed of the situation within their own fields to discharge their obligations to this country. With this departmental necessity, Central Intelligence will not interfere.

Each department must evaluate and correlate and interpret that intelligence information which is within its own exclusive competence and which is needed for its own departmental use.

The importance of research to the Central Intelligence Agency becomes evident when we start to deal with intelligence on a national as distinguished from a departmental level. The research provided by the central agency must be turned to the production of estimates in the field of national intelligence. National intelligence is that composite intelligence, interdepartmental in character, which is required by the President and other high officials and staffs to assist them in determining policies with respect to national planning and security in peace and in war, and for the advancement of broad national policy. National intelligence is in that broad political - economic - military area, of concern to more than one agency. It must be objective, and it must transcend the exclusive competence of any one department.

One of the greatest contributions which a Central Intelligence Agency makes is the preparation of national intelligence estimates. Previously, if the President desired an over-all estimate of a given situation, he had to call, for example, upon the War Department, which would furnish him with the military and air picture; the Navy Department, which would present an estimate of the naval potentialities and capabilities; and on the State Department, which would cover the political and sociological picture. But nowhere would there be an over-all estimate. Nowhere was there such an estimate before Pearl Harbor. Each department would, of necessity, present an estimate slanted to its own particular field. Now it falls to the Central Intelligence Agency to present this over-all picture in a balanced, national intelligence estimate, including all pertinent data. From this the President and appropriate officials can draw a well-rounded picture on which to base their policies. And it should be clearly borne in mind that the Central Intelligence Agency does not make policy.

The estimates furnished in the form of strategic and national policy intelligence by the Central Intelligence Group fill a most serious gap in our present intelligence structure. These estimates should represent the most comprehensive, complete and precise national intelligence available to the Government. Without a central research staff producing this material, an intelligence system would merely resemble a costly group of factories, each manufacturing component parts, without a central assembly line for the finished product.

The third component of the successful Central Intelligence Agency is that dealing with dissemination. Just as there is no purpose in collecting intelligence information unless it is subsequently analyzed and worked into a final product, so there is no sense in developing a final product if it is not disseminated to those who have need of it. The dissemination of intelligence is mandatory to those officials of the Government who need it to make their decisions.

A Central Intelligence Agency, properly cognizant of the intelligence requirements of the various departments and agencies, is best equipped to handle the dissemination to all departments of the material to meet these requirements.

The complexities of intelligence, the immensities of information available virtually for the asking, are so great that this information must reach a central spot for orderly and efficient dissemination to all possible users within the Government.

In addition to the functions mentioned, it is necessary for a Central Intelligence Agency to perform others of common concern to two or more agencies. These are projects which it is believed can be most efficiently or economically performed centrally. An example of such a service is the monitoring of foreign voice broadcasts. There are many departments of the Government vitally interested in this matter. No one department should shoulder the burden of its operation and expense. Nor should two or more agencies be duplicating the operation. It should rest with a central agency to operate such a service for all. Similarly, we have centralized the activities of the various foreign document branches which were operated by some of the services individually or jointly during the war.

I would call your attention to the fact that the kind of men who are able to execute the intelligence mission successfully are not too frequently found. They must be given an opportunity to become part of a secure and permanent agency which will grow in ability with the constant exercise of its functions in the fields of operations and research. We must have the best available men, working in the best possible atmosphere, and with the finest tools this Government can afford.

During the war, intelligence agencies were able to attract a great number of extremely intelligent, widely experienced, able men. Some are still available and might become members of the Central Intelligence Agency, should it become possible to insure them that career which was recommended by the Congressional Committee report I cited previously. It is very difficult to recruit such men before the will of Congress is made known. I do not wish to belabor this point, but it is most important.

In conclusion, I respectfully urge the passage of Section 202 of the bill under discussion, together with such additional legislation as is needed to make for operational efficiency. I urge your increased and continued interest in an intelligence system which can do much toward safeguarding our national security.

Such a system indicates the necessity for a Central Intelligence Agency to augment and coordinate these intelligence missions and functions of the armed services and the Department of State. Such an agency should be given the authority to provide research and analysis in the interest of national intelligence. We know that the passage of such legislation will enable us to establish a field attractive to men of outstanding background and experience in intelligence. These individuals will meet the challenge of the task before them -- the most stimulating in which men can serve their country -- by the production of a positive safeguard to the national security.

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**A BILL FOR THE ESTABLISHMENT OF A NATIONAL INTELLIGENCE AUTHORITY AND
A CENTRAL INTELLIGENCE AGENCY**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Sec. 1. (a) Findings and Declaration: ———

In enacting this legislation, it is the intent of Congress to provide a comprehensive and continuous program which will effectively accomplish the national intelligence objectives of the United States by supplying the President of the United States, the Secretaries of State, National Defense, the Army, the Navy, and the Air Force, and such other governmental officials as shall be appropriate, with foreign intelligence of the highest possible calibre. To accomplish these objectives, a central intelligence agency is required by the United States. This agency shall insure the production of the foreign intelligence necessary to enable the appropriate officials of the Government to be informed fully in their dealings with other nations, and to enable these officials to formulate national policies and plans which this Government is to pursue in order to avert future armed conflicts and assure the common defense and security of the United States. The accomplishment of this service comprises the national intelligence objectives of the United States.

Experience preceding, during, and following two World Wars has proven that the uncoordinated decentralization of the collection, research, and dissemination of foreign intelligence information among many departments and agencies of the Government is unsatisfactory. In an attempt to remedy this situation in times of national crises, emergency means have repeatedly been adopted. These experiences have shown the need for a permanent, centralized, intelligence agency so that all the foreign intelligence sources and facilities of the Government may be utilized to the fullest extent in the production of foreign intelligence, and so that their greatest potentialities may be realized most efficiently and economically, with a resultant elimination of unproductive duplication and unnecessary overlapping of functions in the accomplishment of the national intelligence objectives of the United States.

Accordingly, it is hereby declared to be the policy of the people of the United States that in order to strengthen the hand of the Government in formulating national policies and conducting relations with other nations, and subject at all times to the paramount objective of assuring the common defense and security, the foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this Act, be operated centrally for the accomplishment of the national intelligence objectives of the United States.

Section 1. (b) Purpose of Act. _____

It is the purpose of this Act to carry out the policies set forth in Section 1 (a) by providing for the execution, among others, of the following major programs relating to intelligence:

- (1) A program for the centralized operation of such foreign intelligence activities of the Federal Government as the Council determines can so be performed most effectively, efficiently, and economically.
- (2) A program for the planning and development of all foreign intelligence activities of the Federal Government, and including the coordination of these activities of the departments and agencies of the Government designed for the production of foreign intelligence.
- (3) A program for the collection of foreign intelligence information by any and all means deemed effective.
- (4) A program of evaluation, correlation, and interpretation of the foreign intelligence information collected, in order to produce intelligence for the President and the appropriate departments and agencies of the Federal Government.
- (5) A program for dissemination to the President and the appropriate departments and agencies of the Federal Government of the intelligence produced.
- (6) A program for the full administration and implementation of the above.

DEFINITIONS

Sec. 2. As used in this Act:

(1) The term "strategic and national policy intelligence" is that composite intelligence, interdepartmental in character, which is required by the President and other high officers and staffs to assist them in determining policies with respect to national planning and security in peace and in war and for the advancement of broad national policy. It is in that political-economic-military area of concern to more than one agency, must be objective, and must transcend the exclusive competence of any one department.

(2) The term "foreign intelligence" shall be construed to mean the product of the timely evaluation, correlation, and interpretation of foreign intelligence information.

(3) The term "foreign intelligence information" shall be construed to mean all data pertaining to foreign governments or areas, which may affect the foreign policy or the national defense and security of the United States.

(4) The term "research" shall be construed to mean a process of evaluation (selection), correlation (synthesis), and interpretation (analysis) of intelligence information for the production of intelligence.

(5) The term "evaluation" shall be construed to mean a process of systematic and critical examination of intelligence information for the purpose of determining its usefulness, credibility, and accuracy.

(6) The term "correlation" shall be construed to mean a process of synthesis of intelligence information with all available related material.

(7) The term "interpretation" shall be construed to mean a process of determining the probable significance of evaluated intelligence information.

ORGANIZATION**Sec. 3(a) National Security Council.**

(1) Within the framework of the National Security Council, the Secretary of State, the Secretary of National Defense, and a third member of the Council to be designated by the President as his personal representative, shall perform the functions set forth in paragraph 3(a)(4) below. The Director of Central Intelligence shall sit as a member with the Secretary, the Secretary of National Defense and the personal representative of the President at all times when the duties set forth in paragraph 3(a)(4) are under consideration. The Director of Central Intelligence shall be a non-voting member.

(2) The decisions of the Secretary of State, the Secretary of National Defense, and the Personal representative of the President on all matters set forth in paragraph 3(a)(4), when unanimous, shall be final and binding upon the National Security Council. If their decision is not unanimous, the matter shall be referred to the President, whose decision shall be final.

(3) The Secretary of State, the Secretary of National Defense and the personal representative of the President, when serving in the capacity set forth in this Section, shall hold such meetings, conduct such hearings and receive such reports in connection with the national intelligence objectives as may be necessary to carry out the provisions of this Act. The Director of Central Intelligence may request the calling of additional meetings whenever the urgency of the situation requires.

(4) The Secretary of State, the Secretary of National Defense and the personal representative of the President, when sitting in the capacity set forth in this Section, shall:

(a) Determine policies and objectives for, and supervise and direct, the Central Intelligence Agency, hereinafter provided for, in the planning, development and coordination of the foreign intelligence activities of the departments and agencies of the Government, as well as in the conduct of those foreign intelligence operations performed by the Central Intelligence Agency, in such a manner as to assure the most effective accomplishment of the national intelligence objectives.

- (b) Have the right to transfer responsibilities and authorities in the field of foreign intelligence between the departments and agencies of the Government.
- (c) Approve such policies which, in relation to the foreign intelligence activities of the United States, insofar as they affect the national defense and security, shall govern the intelligence activities of the various departments and agencies of the Government.

Sec. 3 (a) Central Intelligence Agency. —

(1) There is hereby established a Central Intelligence Agency (hereinafter called the Agency), with a Director of Central Intelligence who shall be the head thereof, to be appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$15,000 per annum.

(2) There shall be a Deputy Director of the Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate of \$14,000 per annum. The Deputy Director shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director of Central Intelligence, and to act as Director in the absence of that officer, or in the case of a vacancy in the office of Director.

(3) The functions of the Agency, as outlined in Sec. 4 of this Act, shall be performed by the appropriate offices of the Agency. Each office shall be under the direction of an Assistant Director, who shall be appointed by the Director of Central Intelligence, and shall receive compensation at the rate of \$12,000 per annum. The Assistant Directors shall be not less than four (4) and not exceed six (6) in number.

(4) Any officer of the Department of State, or of the Foreign Service of the United States, and any commissioned officer of the United States Army, the United States Navy, or the United States Air Force, may be assigned to or detailed for duty with the Agency; and such service shall in no way affect any status, office, rank, or grade he may occupy or hold in the Department of State, the Foreign Service of the United States, the United States Army, the United States Navy, or the United States Air Force, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, notwithstanding the provisions of Title 10 U. S. Code, Sec. 576 and Public Law 721, 72nd Congress, approved August 13, 1946, and entitled "An Act to improve, strengthen, and expand the Foreign

Service of the United States and to consolidate and revise the laws relating to its administration," or any other law pertaining to such pay and allowances. Any such officer of the Department of State, the Foreign Service of the United States, or commissioned officer on the active list shall receive, while serving in a position established in Sec. 3 (b) of this Act, the pay of the State Department, the Foreign Service, or the military pay and allowances payable to an officer of his grade and length of service, and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the difference between the salary set forth for such position in Sec. 3 (b) of this Act and the amount of such State Department, Foreign Service, or military pay and allowances.

(5) Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 295), as amended (5 U.S.C. 62), or section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended (5 U.S.C. 58, 59), or section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U.S.C. 59a), the Director of Central Intelligence may appoint to, and employ in, any civilian office or position in the Agency, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed, and any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Agency or the receipt of the pay thereof.

FUNCTIONS

Sec. 4. Functions of the Central Intelligence Agency.-----

(a) In order to assure the most effective accomplishment of the national intelligence mission of the United States, the Agency shall, under the supervision and direction of the Council:

- (1) Develop and recommend to the Council establishment of over-all policies, plans, requirements, objectives and procedures, including training in matters connected with strategic and national policy intelligence, to assure the most effective accomplishment of the national intelligence objectives and to implement the provisions of this Act;
- (2) Coordinate such of the foreign intelligence activities of the departments and agencies of the Government as relate to the national defense and security;
- (3) Collect foreign intelligence information originating outside the continental limits of the United States by any and all means deemed effective;
- (4) Give timely evaluation, correlation, and interpretation to foreign intelligence information;
- (5) Disseminate national intelligence to the President, the Council, and appropriate departments and agencies of the Government;
- (6) Operate such foreign intelligence services as the Council determines can best be performed, or be more efficiently or economically accomplished, by the Agency;
- (7) Administer the personnel and logistical needs of the Agency, including the procurement, training, and supervision of the Agency's personnel, its budgetary requirements and disbursement of funds, and the provision of administrative and logistical support for the foreign activities of the Agency;
- (8) Be responsible for taking measures to protect sources and methods used in the collection and dissemination of foreign intelligence information received by the Agency;
- (9) Be responsible for taking measures for the internal security of the Agency, including the security of its policies, plans, requirements, objectives, procedures, operations, and personnel;
- (10) Formulate and promulgate integrated security policies and procedures pertaining to the safeguarding of classified information and matter of the various departments and agencies of the Government, in the interest of the national defense and security; and

(11) Perform such other functions and duties relating to foreign intelligence as the President or the Council may direct.

(b) The responsibility and authority of the departments and agencies of the Government to collect, evaluate, correlate, interpret, and disseminate departmental intelligence shall not be affected, except to the extent that the Council may relieve them of such responsibility and authority pursuant to the provisions of Sec. 3 (a) (2 & 3) of this Act.

(c) As required in the carrying out of the provisions of this Act, there will be made immediately available on a continuing basis to the Agency all intelligence, information, and such facilities as may be necessary, in the possession of the various departments and agencies of the Government.

(d) To the extent recommended by the Council, the intelligence operations of the departments and agencies of the Government shall be open to inspection by the Agency in connection with its planning functions.

(e) The Agency shall have no police, subpoena, or law enforcement powers or functions, nor shall it have any functions concerning the internal security of the United States except as specifically authorized by Secs. 4 (a) (8), (9), and (10) of this Act.

GENERAL AUTHORITY

Section 6. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (1) Procure necessary services, supplies and equipment without regard to the provisions of Section 3709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;
- (2) Pay quarters and cost of living allowances or in lieu thereof a salary differential to employees having permanent station outside the continental limits of the United States;
- (3) Transfer to and receive from funds available to other departments or agencies of the Government such sums as may be authorized by the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law concerning transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;
- (4) Order to the continental United States on leave of absence any officer or employee of the Agency upon completion of two (2) years continuous service abroad, and pay travel expenses incident thereto of employees and their dependents to their place of residence in the United States and return. Such leave will not exceed sixty (60) calendar days, and will be exclusive of time actually and necessarily spent in travel and awaiting transportation;
- (5) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, and other departments and agencies are hereby authorized so to assign or detail any officer or employee for duty with the Agency;
- (6) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);

(7) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(8) Establish advisory boards to advise with and make recommendations to the Agency on administration, legislation, operations, policies, research, and other matters;

(9) Make such studies and investigations, obtain such information, and hold such hearings as the Agency may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or directives issued thereunder; and

(10) Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 7. Appropriations:-----

- (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.
- (b) Within the limits of such appropriations, the Director is authorized to employ persons and means and make expenditures, at the seat of Government and elsewhere, for personal services, rent, travel expenses, preparation and transportation of the remains of officers and employees who die abroad or in transit, while in dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; rental of news-reporting services; purchase of or subscription to law books, books of reference, periodicals, newspapers, commercial and trade reports; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of motor-propelled or horse-drawn passenger-carrying vehicles and other vehicles, aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.
- (c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (A) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

Section 8. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

BRIEF TITLE

Section 9. This Act may be cited as the "Central Intelligence Agency Act of 1947".

**A BILL FOR THE ESTABLISHMENT OF A NATIONAL INTELLIGENCE AUTHORITY AND
A CENTRAL INTELLIGENCE AGENCY**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Sec. 1. (a) Findings and Declaration: —

In enacting this legislation, it is the intent of Congress to provide a comprehensive and continuous program which will effectively accomplish the national intelligence objectives of the United States by supplying the President of the United States, the Secretaries of State, National Defense, the Army, the Navy, and the Air Force, and such other governmental officials as shall be appropriate, with foreign intelligence of the highest possible calibre. To accomplish these objectives, a central intelligence agency is required by the United States. This agency shall insure the production of the foreign intelligence necessary to enable the appropriate officials of the Government to be informed fully in their dealings with other nations, and to enable these officials to formulate national policies and plans which this Government is to pursue in order to avert future armed conflicts and assure the common defense and security of the United States. The accomplishment of this service comprises the national intelligence objectives of the United States.

Experience preceding, during, and following two World Wars has proven that the uncoordinated decentralization of the collection, research, and dissemination of foreign intelligence information among many departments and agencies of the Government is unsatisfactory. In an attempt to remedy this situation in times of national crises, emergency means have repeatedly been adopted. These experiences have shown the need for a permanent, centralized, intelligence agency so that all the foreign intelligence sources and facilities of the Government may be utilized to the fullest extent in the production of foreign intelligence, and so that their greatest potentialities may be realized most efficiently and economically, with a resultant elimination of unproductive duplication and unnecessary overlapping of functions in the accomplishment of the national intelligence objectives of the United States.

Accordingly, it is hereby declared to be the policy of the people of the United States that in order to strengthen the hand of the Government in formulating national policies and conducting relations with other nations, and subject at all times to the paramount objective of assuring the common defense and security, the foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this Act, be operated centrally for the accomplishment of the national intelligence objectives of the United States.

Section 1. (b) Purpose of Act. _____

It is the purpose of this Act to carry out the policies set forth in Section 1 (a) by providing for the execution, among others, of the following major programs relating to intelligence:

- (1) A program for the centralized operation of such foreign intelligence activities of the Federal Government as the Council determines can so be performed most effectively, efficiently, and economically.
 - (2) A program for the planning and development of all foreign intelligence activities of the Federal Government, and including the coordination of those activities of the departments and agencies of the Government designed for the production of foreign intelligence.
 - (3) A program for the collection of foreign intelligence information by any and all means deemed effective.
 - (4) A program of evaluation, correlation, and interpretation of the foreign intelligence information collected, in order to produce intelligence for the President and the appropriate departments and agencies of the Federal Government.
 - (5) A program for dissemination to the President and the appropriate departments and agencies of the Federal Government of the intelligence produced.
 - (6) A program for the full administration and implementation of the above.
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DEFINITIONS

Sec. 2. As used in this Act:

(1) The term "strategic and national policy intelligence" is that composite intelligence, interdepartmental in character, which is required by the President and other high officers and staffs to assist them in determining policies with respect to national planning and security in peace and in war and for the advancement of broad national policy. It is in that political-economic-military area of concern to more than one agency, must be objective, and must transcend the exclusive competence of any one department.

(2) The term "foreign intelligence" shall be construed to mean the product of the timely evaluation, correlation, and interpretation of foreign intelligence information.

(3) The term "foreign intelligence information" shall be construed to mean all data pertaining to foreign governments or areas, which may affect the foreign policy or the national defense and security of the United States.

(4) The term "research" shall be construed to mean a process of evaluation (selection), correlation (synthesis), and interpretation (analysis) of intelligence information for the production of intelligence.

(5) The term "evaluation" shall be construed to mean a process of systematic and critical examination of intelligence information for the purpose of determining its usefulness, credibility, and accuracy.

(6) The term "correlation" shall be construed to mean a process of synthesis of intelligence information with all available related material.

(7) The term "interpretation" shall be construed to mean a process of determining the probable significance of evaluated intelligence information.

ORGANIZATION**Sec. 3(a) National Security Council.**

(1) Within the framework of the National Security Council, the Secretary of State, the Secretary of National Defense, and a third member of the Council to be designated by the President as his personal representative, shall perform the functions set forth in paragraph 3(a)(4) below. The Director of Central Intelligence shall sit as a member with the Secretary, ^{of State} the Secretary of National Defense and the personal representative of the President at all times when the duties set forth in paragraph 3(a)(4) are under consideration. The Director of Central Intelligence shall be a non-voting member.

(2) The decisions of the Secretary of State, the Secretary of National Defense, and the Personal representative of the President on all matters set forth in paragraph 3(a)(4), when unanimous, shall be final and binding upon the National Security Council. If their decision is not unanimous, the matter shall be referred to the President, whose decision shall be final.

(3) The Secretary of State, the Secretary of National Defense and the personal representative of the President, when serving in the capacity set forth in this Section, shall hold such meetings, conduct such hearings and receive such reports in connection with the national intelligence objectives as may be necessary to carry out the provisions of this Act. The Director of Central Intelligence may request the calling of additional meetings whenever the urgency of the situation requires.

(4) The Secretary of State, the Secretary of National Defense and the personal representative of the President, when sitting in the capacity set forth in this Section, shall:

(a) Determine policies and objectives for, and supervise and direct, the Central Intelligence Agency, hereinafter provided for, in the planning, development and coordination of the foreign intelligence activities of the departments and agencies of the Government, as well as in the conduct of those foreign intelligence operations performed by the Central Intelligence Agency, in such a manner as to assure the most effective accomplishment of the national intelligence objectives.

(b) Have the right to transfer responsibilities and authorities in the field of foreign intelligence between the departments and agencies of the Government.

(c) Approve such policies which, in relation to the foreign intelligence activities of the United States, insofar as they affect the national defense and security, shall govern the intelligence activities of the various departments and agencies of the Government.

Sec. 3 (b) Central Intelligence Agency. —

(1) There is hereby established a Central Intelligence Agency (hereinafter called the Agency), with a Director of Central Intelligence who shall be the head thereof, to be appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$15,000 per annum.

(2) There shall be a Deputy Director of the Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate of \$14,000 per annum. The Deputy Director shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director of Central Intelligence, and to act as Director in the absence of that officer, or in the case of a vacancy in the office of Director.

(3) The functions of the Agency, as outlined in Sec. 4 of this Act, shall be performed by the appropriate offices of the Agency. Each office shall be under the direction of an Assistant Director, who shall be appointed by the Director of Central Intelligence, and shall receive compensation at the rate of \$12,000 per annum. The Assistant Directors shall ~~be not less than four (4)~~ and not exceed six (6) in number.

(4) Any officer of the Department of State, or of the Foreign Service of the United States, and any commissioned officer of the United States Army, the United States Navy, or the United States Air Force, may be assigned to or detailed for duty with the Agency; and such service shall in no way affect any status, office, rank, or grade he may occupy or hold in the Department of State, the Foreign Service of the United States, the United States Army, the United States Navy, or the United States Air Force, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, notwithstanding the provisions of Title 10 U. S. Code, Sec. 576 and Public Law 724, 79th Congress, approved August 13, 1946, and entitled "An Act to improve, strengthen, and expand the Foreign

Service of the United States and to consolidate and revise the laws relating to its administration," or any other law pertaining to such pay and allowances. Any such officer of the Department of State, the Foreign Service of the United States, or commissioned officer on the active list shall receive, while serving in a position established in Sec. 3 (b) of this Act, the pay of the State Department, the Foreign Service, or the military pay and allowances payable to an officer of his grade and length of service, and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the difference between the salary set forth for such position in Sec. 3 (b) of this Act and the amount of such State Department, Foreign Service, or military pay and allowances.

(5) Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C. 62), or section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended (5 U.S.C. 58, 59), or section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U.S.C. 59a), the Director of Central Intelligence may appoint to, and employ in, any civilian office or position in the Agency, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed, and any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Agency or the receipt of the pay thereof.

FUNCTIONS

Sec. 4. Functions of the Central Intelligence Agency.-----

(A) In order to assure the most effective accomplishment of the national intelligence mission of the United States, the Agency shall, under the supervision and direction of the Council:

- (1) Develop and recommend to the Council establishment of over-all policies, plans, requirements, objectives and procedures, including training in matters connected with strategic and national policy intelligence, to assure the most effective accomplishment of the national intelligence objectives and to implement the provisions of this Act;
- (2) Coordinate such of the foreign intelligence activities of the departments and agencies of the Government as relate to the national defense and security;
- (3) Collect foreign intelligence information originating outside the continental limits of the United States by any and all means deemed effective;
- (4) Give timely evaluation, correlation, and interpretation to foreign intelligence information;
- (5) Disseminate national intelligence to the President, the Council, and appropriate departments and agencies of the Government;
- (6) Operate such foreign intelligence services as the Council determines can best be performed, or be more efficiently or economically accomplished, by the Agency;
- (7) Administer the personnel and logistical needs of the Agency, including the procurement, training, and supervision of the Agency's personnel, its budgetary requirements and disbursement of funds, and the provision of administrative and logistical support for the foreign activities of the Agency;
- (8) Be responsible for taking measures to protect sources and methods used in the collection and dissemination of foreign intelligence information received by the Agency;
- (9) Be responsible for taking measures for the internal security of the Agency, including the security of its policies, plans, requirements, objectives, procedures, operations, and personnel;
- (10) Formulate and promulgate integrated security policies and procedures pertaining to the safeguarding of classified information and matter of the various departments and agencies of the Government, in the interest of the national defense and security; and

(11) Perform such other functions and duties relating to foreign intelligence as the President or the Council may direct.

(b) The responsibility and authority of the departments and agencies of the Government to collect, evaluate, correlate, interpret, and disseminate departmental intelligence shall not be affected, except to the extent that the Council may relieve them of such responsibility and authority pursuant to the provisions of Sec. 3 (a) (2 ⁴ & 3) of this Act.

(c) As required in the carrying out of the provisions of this Act, there will be made immediately available on a continuing basis to the Agency all intelligence, information, and such facilities as may be necessary, in the possession of the various departments and agencies of the Government.

(d) To the extent recommended by the Council, the intelligence operations of the departments and agencies of the Government shall be open to inspection by the Agency in connection with its planning functions.

(e) The Agency shall have no police, subpoena, or law enforcement powers or functions, nor shall it have any functions concerning the internal security of the United States except as specifically authorized by Secs. 4 (a) (8), (9), and (10) of this Act.

GENERAL AUTHORITY

Section 6. In the performance of its functions, the Central Intelligence Agency is authorized to:

(1) Procure necessary services, supplies and equipment without regard to the provisions of Section 3709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;

(2) Pay quarters and cost of living allowances ~~or in lieu thereof a salary differential~~ to employees having permanent station outside the continental limits of the United States, *existing authority - 100000*

(3) Transfer to and receive from funds available to other departments or agencies of the Government such sums as may be authorized by the ^{Director of the} Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law concerning transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;

(4) Order to the continental United States on leave of absence any officer or employee of the Agency upon completion of two (2) years continuous service abroad, and pay travel expenses incident thereto of employees and their dependents to their place of residence in the United States and return. Such leave will not exceed sixty (60) calendar days, and will be exclusive of time actually and necessarily spent in travel and awaiting transportation; *Public Law 86-36*

(5) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, and other departments and agencies are hereby authorized

so to assign or detail any officer or employee for duty with the Agency; *Authority now exist*

(6) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);

(7) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

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[8] Establish advisory boards to advise with and make recommendations to the Agency on administration, legislation, operations, policies, research, and other matters; *is it good*

Out
[9] Make such studies and investigations, obtain such information, and hold such hearings as the Agency may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or directives issued thereunder; and *not necessary*

9 (10) Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 7. Appropriations:—

- (a) There are hereby authorized to be appropriated such sums as may be necessary and ~~appropriate~~^x to carry out the provisions ~~and purposes~~^x of this Act, *including*
- (b) ~~Within the limits of such appropriations, the Director is authorized to employ persons and means and make expenditures~~^x *personal services & rent* at the seat of Government and elsewhere, ~~for personal services, rent, travel expenses,~~^x preparation and transportation of the remains of officers and employees who die abroad or in transit, while in dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; ~~rental of news-reporting services; purchase of or subscription to law books, books of reference, periodicals, newspapers, commercial and trade reports;~~^x *books* purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of ~~motor-~~^x *passenger* ~~propelled or horse-drawn passenger-carrying~~ vehicles and ~~other vehicles~~^x aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.
- (c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (A) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

Section 8. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

Section 9. This Act may be cited as the "Central Intelligence Agency Act of 1947".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Sec. 1. (a) Findings and Declaration: --

In enacting this legislation, it is the intent of Congress to provide a comprehensive and continuous program which will effectively accomplish the foreign intelligence mission of the United States by supplying the President of the United States, the Secretaries of State, War, and the Navy, and such other governmental officials as shall be appropriate, with foreign intelligence of the highest possible calibre. To accomplish this mission, a centralized foreign intelligence service is required by the United States. This service shall produce the foreign intelligence necessary to enable these appropriate officials of the Government to be informed fully in their dealings with other nations, and to enable these officials to formulate national policies and plans which this Government is to pursue in order to avert future armed conflicts and assure the common defense and security of the United States. This foreign intelligence is also needed so that the appropriate officials may recommend to the Congress of the United States such legislation as is necessary in connection with national foreign policy, to avert future armed conflicts, and to assure the common defense and security. The accomplishment of this service is the foreign intelligence mission of the United States.

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Experience preceding, during, and following two World Wars has proven that the uncoordinated decentralization of the collection, research, and dissemination of foreign intelligence information among many departments and agencies of the Government is unsatisfactory; nor does it produce the high calibre of foreign intelligence needed for the accomplishment of the national foreign intelligence mission. In an attempt to remedy situation, emergency means have repeatedly been adopted in times of national crises. These experiences have shown the need for a centralized foreign intelligence service so that all the foreign intelligence sources and facilities of the Government may be utilized to the greatest extent in the production of foreign intelligence, and so that their fullest potentialities may be realized most efficiently and economically, with a resultant elimination of duplication and overlapping of functions in the accomplishment of the foreign intelligence mission of the United States.

Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, in order to strengthen the hand of the Government in formulating national foreign policies and relations with other nations, the foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this Act, be operated centrally for the accomplishment of the foreign intelligence mission of the United States.

Section 1. (b) Purpose of Act. -----

It is the purpose of this Act to effectuate the policies set out in Section 1 (a) by providing, among others, for the following major programs relating to intelligence:

- (1) A program for the operation of such foreign intelligence services of the Federal Government, as the National Intelligence Authority determines can best be performed centrally.
- (2) A program for the planning and development of all foreign intelligence activities of the Federal Government, and including the coordination of those activities of the department~~s~~ and agencies of the Government designed for the production of foreign intelligence for the use of the President and appropriate officials of the Government in the formulation of policies and plans in the interests of the national defense and security.
- (3) A program for the collection of foreign information by any and all means deemed effective.
- (4) A program of evaluation, correlation, and interpretation of the foreign intelligence information collected in order to produce foreign intelligence for the President and the appropriate departments and agencies of the Federal Government.
- (5) A program for the dissemination of the foreign intelligence produced to the President and the appropriate departments and agencies of the Federal Government.
- (6) A program for the full administration and implementation of the ~~above~~.

Sec. 2 (a) National Intelligence Authority. ----

(1) There is hereby established a National Intelligence Authority (herein called the Authority) of five members. The Secretary of State, the Secretary of War and the Secretary of the Navy shall be members of the Authority. The President shall designate a fourth member of the Authority to serve as his personal representative thereon. The Secretary of State, the Secretary of War, the Secretary of the Navy, and the personal representative of the President shall constitute the sole voting members of the Authority. The Director of Central Intelligence, hereinafter provided for, shall sit as the fifth member of the Authority, as a non-voting member thereof. The Secretary of State shall serve as Chairman of the Authority.

(2) The members of the Authority shall hold their positions thereon by virtue of their respective offices. The members of the Authority shall serve without compensation for this service and shall perform this service in addition to such other activities, public, or private, as they may engage in.

(3) In the absence of the Secretaries of State, War, and the Navy, or any one of them, the appropriate Acting Secretary shall sit as a member of the Authority. If the personal representative of the President is absent, the Secretaries (or Acting Secretaries) of State, War, and the Navy shall constitute a quorum of the Authority.

(4) The Authority shall hold such meetings, conduct such hearings, and receive such reports as may be necessary to enable it to carry out the provisions of this Act. The Authority shall meet at least once each month.

(5) The Authority shall be served by a Secretariat, consisting of a Secretary and such other technical, administrative, and clerical assistance as the Authority shall deem necessary. The Central Intelligence Agency, hereinafter provided for, will be responsible for furnishing the Secretariat with personnel. The Secretary shall be charged with preparing the agenda for meetings of the Authority, attending such meetings, keeping and publishing the minutes thereof, preparing the directives and other papers of the Authority, reviewing and circulating papers for consideration, maintaining the necessary offices and records of the Authority, providing secretarial and clerical assistance, and performing such other duties for the Authority as the Authority shall direct. The Secretariat of the Authority shall also serve as the

Secretariat of the Intelligence Advisory Board, hereinafter provided for, performing the same duties for this Board as for the Authority.

(6) The Authority shall determine policies and objectives for, and supervise and direct, the Central Intelligence Agency, hereinafter provided for, in the planning, development, and coordination of the foreign intelligence activities of the departments and agencies of the Government, as well as in the conduct of those foreign intelligence operations which can best be performed centrally, in such manner as to assure the most effective accomplishment of the foreign intelligence mission relating to the national defense and security.

(7) The Authority shall have the right to transfer responsibilities and authorities in the field of foreign intelligence between departments and agencies of the Government.

(8) Policies approved by the Authority in relation to the foreign intelligence activities of the United States, insofar as they affect the national defense and security, shall govern the foreign intelligence activities of the various departments and agencies of the Government.

(9) If the decisions of the Authority on matters set forth in Sec. 2(a) (6) and 2 (a) (7) of this Act are not unanimous, the Authority shall refer the matter to the President, whose decision shall be final.

Sec. 2 (b) Central Intelligence Agency . ---

(1) There is hereby established a Central Intelligence Agency (herein called the Agency), with a Director of Central Intelligence who shall be the head thereof, to be appointed from civilian or military life by the President, by and with the advice and consent of the Senate, to serve at the pleasure of the President. The Director shall receive compensation at the rate of \$17,500 per annum.

(2) There shall be a Deputy Director of the Central Intelligence Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate, to serve at the pleasure of the President. The Deputy Director shall receive compensation at the rate of \$15,000 per annum. The Deputy Director shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director of Central Intelligence, and to act as Director in the absence of that officer, or in the case of a vacancy in the office of Director.

(3) There shall be an Executive Director of the Central Intelligence Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Executive Director shall receive compensation at the rate of \$15,000 per annum. The Executive Director shall discharge such of the administrative and executive functions of the Agency as the Director of Central Intelligence may direct.

(4) The duties of the Agency, as outlined in Sec. 3 of this Act, shall be performed by the appropriate offices of the Agency. Each office shall be under the direction of an Assistant Director, who shall be appointed by the Director of Central Intelligence, and shall receive compensation at the rate of \$14,000 per annum. The Assistant Directors shall be limited to six (6) in number.

(5) Any officer of the Department of State, or of the Foreign Service of the United States, and any commissioned officer of the United States Army, the United States Navy, or the United States Army Air Forces, may be assigned to or detailed for duty with the Agency; and such service shall in no way affect any status, office, rank, or grade he may occupy or hold in the Department of State, the Foreign Service of the United States, the United States Army, the United States Navy, or the United States Army Air Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, notwithstanding the provisions of Title 10 U. S. Code, Sec. 576 and Public Law 724, 79th Congress,

approved August 13, 1946, and entitled "An Act to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration," or any other law pertaining to such pay and allowances. Any such officer of the Department of State, the Foreign Service of the United States, or commissioned officer on the active list shall receive, while serving in a position established in Sec. 2 (b) of this Act, the State Department, the Foreign Service, or the military, pay and allowances payable to an officer of his grade and length of service, and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the difference between the salary set forth for such position in Sec. 2 (b) of this Act and the amount of his annual Department of State, Foreign Service, or military, pay and allowances.

(6) Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C. 62), or section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended (5 U.S.C. 58, 59), the Director of Central Intelligence may appoint to, and employ in, any civilian office or position in the Agency, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed and, except as provided in section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U.S.C. 59a), any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Agency or the receipt of the pay thereof.

Sec. 2. (c) Intelligence Advisory Board -----

(1) The Director of Central Intelligence shall be advised by an Intelligence Advisory Board, consisting of the heads (or their representatives) of those civilian and military intelligence agencies of the Government having functions related to the national defense and security, as determined by the National Intelligence Authority.

(2) Members of the Board shall serve without compensation for this service and shall perform this service in addition to such other activities, public or private, as they may engage in.

(3) The Intelligence Advisory Board shall be served by a Secretariat, as provided for in Section 2 (a) (5) of this Act.

Sec. 3. Functions of the Central Intelligence Agency.

(a) In order to assure the most effective accomplishment of the foreign intelligence mission of the United States, the Agency shall, under the supervision and direction of the Authority:

- (1) Develop and recommend to the Authority establishment of over-all policies, plans, requirements, objectives, and procedures to assure the most effective accomplishment of the foreign intelligence mission and to implement the provisions of this Act;
- (2) Coordinate such of the foreign intelligence activities of the departments and agencies of the Government as relate to the national defense and security;
- (3) Collect foreign intelligence information by any and all means deemed effective;
- (4) Give timely evaluation, correlation, and interpretation to foreign intelligence information;
- (5) Disseminate foreign intelligence to the President and appropriate departments and agencies of the Government;
- (6) Operate such foreign intelligence services as the Authority determines can best be performed, or be more efficiently or economically accomplished, centrally;
- (7) Administer the personnel and logistical needs of the Agency, including the procurement, training, and supervision of the Agency's personnel, its budgetary requirements and disbursement of funds, and the provision of administrative and logistical support for the foreign activities of the Agency;
- (8) Be responsible for fully protecting sources and methods used in the collection of foreign intelligence information received by the Agency;
- (9) Provide for the internal security of the Agency, including the complete security of its policies, plans, objectives, procedures, operations, and personnel;
- (10) Formulate and promulgate integrated security policies and procedures pertaining to the safeguarding of classified documents, information, matter, and materiel of the various departments and agencies of the Government, in the interest of the national defense and security; and
- (11) Perform such other functions and duties relating to foreign intelligence as the President or the Authority may direct.

(b) The responsibility and authority of the departments and agencies of the Government to collect, evaluate, correlate, interpret, and disseminate departmental intelligence shall not be affected, except to the extent that the Authority may relieve them of such responsibility and authority pursuant to the provisions of

Sec. 2 (a) (8) of this Act.

(c) As required in the carrying out of the provisions of this Act, there will be made immediately available on a continuing basis to the Agency all intelligence, information, and facilities in the possession of the various departments and agencies of the Government.

(d) To the extent recommended by the National Intelligence Authority and approved by the President, the intelligence operations of the departments and agencies of the Government shall be open to inspection by the Agency in connection with its planning functions; and

(e) The Agency shall have no police, subpoena, or law enforcement powers or functions, nor shall it have any functions concerning the internal security of the United States except as specifically authorized by Secs. 3 (a) (8) (9) and (10) of this Act.

GENERAL AUTHORITY

Section 4. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (1) Procure necessary services, supplies and equipment without regard to the provisions of Section 3709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;
- (2) Pay quarters and cost of living allowances or in lieu thereof a salary differential to employees having permanent station outside the continental limits of the United States;
- (3) Transfer to and receive from other departments or agencies of the Government such sums as may be authorized by the Bureau of the Budget, either as advance payment or reimbursement of appropriation for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law concerning transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;
- (4) Order to the continental United States on leave of absence any officer or employee of the Agency upon completion of two (2) years continuous service abroad, and pay travel expenses incident thereto of employees and their dependents to their place of residence in the United States and return. Such leave will not exceed sixty (60) calendar days, and will be exclusive of time actually and necessarily spent in travel and awaiting transportation;
- (5) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, and other departments and agencies are hereby authorized so to assign or detail any officer or employee for duty with the Agency;
- (6) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);
- (7) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(8) Establish advisory boards to advise with and make recommendations to the Agency on administration, legislation, operations, policies, research, and other matters;

(9) Make such studies and investigations, obtain such information, and hold such hearings as the Agency may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or directives issued thereunder;

(10) Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 5 (a). There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.

(b) Within the limits of such appropriations, the Director is authorized to employ persons and means and make expenditures, at the seat of Government and elsewhere, for personal services, rent, travel expenses, preparation and transportation of the remains of officers and employees who die abroad or in transit, while in dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; rental of news-reporting services; purchase of or subscription to law books, books of reference, periodicals, newspapers, commercial and trade reports; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of motor-propelled or horse-drawn passenger-carrying vehicles and other vehicles, aircraft and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.

(c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (a) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

DEFINITIONS

Sec. 6. As used in this Act. ----

- (a) The term "foreign intelligence" shall be construed to mean the product of the timely evaluation, correlation, and interpretation of foreign intelligence information.
- (b) The term "foreign intelligence information" consists of all data pertaining to foreign governments or areas, which may affect the foreign policy or the national defense and security of the United States.
- (c) The term "research" is a process of evaluation (selection), correlation (synthesis), and interpretation (analysis) of intelligence information for the production of intelligence.
- (d) The term "evaluation" is the process of systematic and critical examination of information for the purpose of determining its usefulness, credibility and accuracy.
- (e) The term "synthesis" is the correlation of information with all available related material.
- (f) The term "interpretation" is the determination of the probable significance of evaluated information.

SEPARABILITY OF PROVISIONS

Sec. 7. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

Section 8. This Act may be cited as the "Central Intelligence Agency Act of 1947".

EXCERPT FROM HEARINGS OF THE SENATE ARMED SERVICES COMMITTEE ON THE NATIONAL SECURITY ACT OF 1947, (S. 758), ON TUESDAY, APRIL 1, 1947.

SENATOR TYDINGS: Admiral, I do not want to revert to another subject, and maybe you would prefer to bring it up in the regular course. But looking at this proposed chart of the way that the unification will be carried out under the bill, when you get down to the Central Intelligence Agency, which certainly is one of the most important of all the functions set forth in the bill. I notice that it reports directly to the President and does not seem to have any line running to the War Department, or the Navy Department, or to the Secretary for Air. And I was wondering if that rather excluded position, you might say, was a wholesome thing.

It seems to me that Central Intelligence Agency ought to have more direct contact with the Army and the Navy and the Air Force; and as I see it on the chart here, it is pretty well set aside and goes only to the President. What is the reason for that?

ADMIRAL SHERMAN: Well, sir, this diagram shows the primary control of the Central Intelligence Agency through the National Security Council which, of course, is responsible to the President. But, of course, the Central Intelligence Agency, by its detailed directive, takes information in from the military services and also supplies them with information.

In other words, it is a staff agency and controlled through the National Security Council, which is supported by the military services, and in turn, supports them.

SENATOR TYDINGS: It seems to me that of course they would diffuse such information as a matter of orderly procedure to the Army, Navy and Air Force, as they collected the information and as they deemed it pertinent. But I would feel a little more secure about it if there were a line running from that agency to the War Department, the Navy Department, and the Air Force, rather than have it go up through the President and back again. Because the President is a rather busy man, and while he has control over it, one of its functions, it seems to me, ought to be to have a closer tie-in with the three services than the chart indicates.

ADMIRAL SHERMAN: Well, sir, that is the trouble with the diagram. Actually, the Security Council, placed directly under it, has members of the three departments, the Secretary of National Defense, the Central Intelligence Agency, who collaborates very closely with Military and Naval intelligence, and there are a good many other cross-relationships.

SENATOR TYDINGS: I realize that, but even so, I think intelligence is about as important a part of running a war as there is, as I know you will agree. And it is rather set off there by itself, and is only under the President; which is all right for general direction purposes, but I do not feel satisfied in having it over there without some lines running to the War Department, the Navy Department, and the Air Force, even though that might follow and they might do it anyhow.

ADMIRAL SHERMAN: Well, in a further development of this chart, we might show a line of collaboration and service and so on, extending from the Central Intelligence Agency to the three departments, and to these others.

SENATOR TYDINGS: To the Joint Chiefs of Staff, anyway.

ADMIRAL SHERMAN: They serve the Joint Chiefs of Staff, as a matter of fact. We have a Central Intelligence (man) in the Policy Council of the Research and Development Board at the present time.

SENATOR TYDINGS: If you ever do another chart, will you do me the favor of connecting that up with those three departments and with the Joint Chiefs of Staff? Because it looks like it is set up in that way to advise the President, more than to advise the services and the Joint Chiefs of Staff; which, of course, is not the intention of it at all, in my opinion.

ADMIRAL SHERMAN: We tried, in this particular chart, to show only the primary line of control, with the exception of the dotted line from the President to the Joint Chiefs of Staff, which is there for constitutional reasons.

SENATOR TYDINGS: Well, I hope that my comments will cause us to find some way that we can make sure that someone will offer an amendment from the War Department or the Navy Department that the Intelligence Agency is to have direct tie-in with the Joint Chiefs and the Army, Navy and Air Force. Otherwise, we may have another Pearl Harbor controversy, with the question arising, "Who got the information?" And the reply, "It was not transmitted."

That is one thing that should not happen again.

And as this is set up, it would lend the layman the opinion that it was more or less detached, rather than an integral part of the three services.

ADMIRAL SHERMAN: I can assure you, sir, that the Central Intelligence-Navy (?) is now serving us very effectively.

SENATOR BYRD: I see, Admiral, that in the section relating to the Central Intelligence Agency on page 20, you provide that "any commissioned officer of the United States Army, the United States Navy, or the United States Air Force may be appointed to the office of Director." Is it the intent that he shall be a military man?

ADMIRAL SHERMAN: That is not the intent of that language, sir, and I do not think this bill does require that. Section 202(b) is permissive. Section 202(a) provides that there be a director. 202(b), although it is very lengthy, provides that a commissioned officer may be appointed to that office. And then there is considerable language which safeguards his position in the military service in that event.

SENATOR BYRD: Do you construe from that that a civilian could be appointed?

ADMIRAL SHERMAN: Yes, sir.

SENATOR BYRD: Would it not be better to make that clear? The way it is worded is certainly persuasive, if not definitely controlling.

ADMIRAL SHERMAN: Since this is not the first time it has come up, I think the language of the bill would be improved if, in 202(a), where it says, with reference to the director, "to be appointed by the President," there were added such a phrase as "from military or civilian life," or vice versa. I think that would clarify it.

SENATOR TYDINGS: Admiral, that is an awfully short bit of explanation, under the caption "Central Intelligence Agency," the way it is set up here, separately, to be appointed by the President, and superseding the services now run by the Army and the Navy, I respectfully submit to you and to General Norstad that it might be wise to put an amendment in there, in order to make certain that the thing is understood; that this Central Intelligence Agency shall service the three departments and the Joint Chiefs of Staff, and have some tie-in with the three departments, rather than to leave it hanging up there on a limb all off to itself. I do not think that would change anything materially, but it would clarify it, and make it plain that we are setting up something for the purposes for which we conceive it to be set up.

ADMIRAL SHERMAN: Well, sir, I would like to make a comment on the language as to the Central Intelligence Agency. At one time in the drafting we considered completely covering the Central Intelligence Agency in the manner that it should be covered by law.

SENATOR TYDINGS: Admiral, my point is simply this: that under the wording as to the Central Intelligence Agency which begins on page 20 and ends at the top of page 22, it deals more or less with consolidation and not with the duties that devolve upon that office. It seems to me there is a void in the bill that ought to be eliminated.

ADMIRAL SHERMAN: Well, we considered the matter of trying to cover the Central Intelligence Agency adequately, and we found that that matter, in itself, was going to be a matter of legislation of considerable scope and importance.

SENATOR TYDINGS: A separate bill?

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ADMIRAL SHERMAN: A separate bill. And after consultation with General Vandenberg, we felt it was better, in this legislation only to show the relationship of the Central Intelligence Agency to the National Security Council, and then leave the separate legislation the task of a full and thorough development of the Central Intelligence Agency.

SENATOR TYDINGS: Well, now, for the record, is it safe for this committee to assume that during this session it is likely that a bill will come along dealing with the Central Intelligence Agency in the particulars that we have had under discussion?

ADMIRAL SHERMAN: It is my understanding that that will take place.

THE CHAIRMAN: How about that, General Vandenberg?

GENERAL VANDENBERG: (Lieutenant General Hoyt S. Vandenberg, Chief, Central Intelligence Agency): The Enabling Act is prepared, but we do not want to submit that until we have reason for it.

SENATOR SALTONSTALL: To carry out that point, look at subparagraph (c) Sections (1) and (2). The bill does talk about functions there. It does take up certain functions that are now in existence and transfers them to this agency.

If you are going to take up any functions, let me ask you, to follow up your question, should you not take up all the functions, or leave out that subsection (c) in some way?

SENATOR TYDINGS: What happens under the bill, it seems to me, is that the consolidation itself takes place, but the services which are to be performed, and by whom they are to be performed, and for whom they are to be performed, are not very clearly set out. And I imagine it would be better in a separate bill. But I did not know the separate bill was coming, and in looking over the bill, it seemed to me to deal very shortly with a very important operation. So your question and mine probably both would be answered in the new bill that is coming along.

SENATOR SALTONSTALL: The only point, to try to carry out what you said: It does mention some functions here, but does not mention all the functions.

SENATOR TYDINGS: And it deals with consolidation of functions.

SENATOR SALTONSTALL: It takes over certain functions not now in existence, if you will read subparagraph (c) there.

SENATOR TYDINGS: That is what I mean.

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ADMIRAL SHERMAN: The intent of this language was merely to transfer the duties of the existing intelligence agency to the Security Council, and, next, to move the functions of the intelligence group as it is now constituted, by a letter directive of the President, over to the authority.

I would suggest that it might be beneficial to take the existing letter directive under which the Central Intelligence Agency is functioning now, and insert it in the record. Because that letter will clarify this whole matter.

THE CHAIRMAN: At the time the Committee hears General Vandenberg, I am sure the General will bring with him that letter and we will have that in at the start of those hearings.

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[PUBLIC LAW 724—79TH CONGRESS]

[CHAPTER 957—2D SESSION]

[H. R. 6967]

AN ACT

To improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, OBJECTIVES, AND
DEFINITIONS

PART A—SHORT TITLE

SEC. 101. Titles I to X, inclusive, of this Act may be cited as the "Foreign Service Act of 1946".

PART B—OBJECTIVES

SEC. 111. The Congress hereby declares that the objectives of this Act are to develop and strengthen the Foreign Service of the United States so as—

(1) to enable the Foreign Service effectively to serve abroad the interests of the United States;

(2) to insure that the officers and employees of the Foreign Service are broadly representative of the American people and are aware of and fully informed in respect to current trends in American life;

(3) to enable the Foreign Service adequately to fulfill the functions devolving on it by reason of the transfer to the Department of State of functions heretofore performed by other Government agencies;

(4) to provide improvements in the recruitment and training of the personnel of the Foreign Service;

(5) to provide that promotions leading to positions of authority and responsibility shall be on the basis of merit and to insure the selection on an impartial basis of outstanding persons for such positions;

(6) to provide for the temporary appointment or assignment to the Foreign Service of representative and outstanding citizens of the United States possessing special skills and abilities;

(7) to provide salaries, allowances, and benefits that will permit the Foreign Service to draw its personnel from all walks of American life and to appoint persons to the highest positions in the Service solely on the basis of their demonstrated ability;

(8) to provide a flexible and comprehensive framework for the direction of the Foreign Service in accordance with modern practices in public administration; and

(9) to codify into one Act all provisions of law relating to the administration of the Foreign Service.

PART C—DEFINITIONS

SEC. 121. When used in this Act, the term—

- (1) "Service" means the Foreign Service of the United States;
- (2) "Secretary" means the Secretary of State;
- (3) "Department" means the Department of State;
- (4) "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States;
- (5) "Government" means the Government of the United States of America;
- (6) "Continental United States" means the States and the District of Columbia;
- (7) "Abroad" means all areas not included in the continental United States as defined in paragraph (6) of this section;
- (8) "Principal officer" means the officer in charge of an embassy, legation, or other diplomatic mission or of a consulate general, consulate, or vice consulate of the United States; and
- (9) "Chief of mission" means a principal officer appointed by the President, by and with the advice and consent of the Senate, to be in charge of an embassy or legation or other diplomatic mission of the United States, or any person assigned under the terms of this Act to be minister resident, chargé d'affaires, commissioner, or diplomatic agent.

TITLE II—GOVERNING BODIES FOR THE DIRECTION OF
THE SERVICE

PART A—OFFICERS

DIRECTOR GENERAL

SEC. 201. The Service shall be administered by a Director General of the Foreign Service, hereinafter referred to as the Director General, who shall be appointed by the Secretary from among Foreign Service officers in the class of career minister or in class 1. Under the general supervision of the Secretary and the Assistant Secretary of State in charge of the administration of the Department, the Director General shall, in addition to administering the Service and performing the duties specifically vested in him by this or any other Act, coordinate the activities of the Service with the needs of the Department and of other Government agencies and direct the performance by officers and employees of the Service of the duties imposed on them by the terms of any law or by any order or regulation issued pursuant to law or by any international agreement to which the United States is a party.

DEPUTY DIRECTOR GENERAL

SEC. 202. The Director General shall be assisted by a Deputy Director General of the Foreign Service, hereinafter referred to as the Deputy Director General, who shall be appointed by the Secretary. If he is a Foreign Service officer, he shall be selected from among officers in the class of career minister or in class 1. The Deputy Director General shall act in the place of the Director General in the event of his absence or incapacity.

PART B—BOARDS

BOARD OF THE FOREIGN SERVICE

SEC. 211. (a) The Board of the Foreign Service shall be composed of the Assistant Secretary of State in charge of the administration of the Department, who shall be Chairman; two other Assistant Secretaries of State, designated by the Secretary to serve on the Board; the Director General; and one representative each, occupying positions with comparable responsibilities, from the Departments of Agriculture, Commerce, and Labor, designated, respectively, by the heads of such departments. The Secretary may request the head of any other Government department to designate a representative, occupying a position with comparable responsibilities, to attend meetings of the Board whenever matters affecting the interest of such department are under consideration.

(b) The Board of the Foreign Service shall make recommendations to the Secretary concerning the functions of the Service; the policies and procedures to govern the selection, assignment, rating, and promotion of Foreign Service officers; and the policies and procedures to govern the administration and personnel management of the Service; and shall perform such other duties as are vested in it by other sections of this Act or by the terms of any other Act.

THE BOARD OF EXAMINERS FOR THE FOREIGN SERVICE

SEC. 212. (a) The Board of Examiners for the Foreign Service, shall, in accordance with regulations prescribed by the Secretary and under the general supervision of the Board of the Foreign Service, provide for and supervise the conduct of such examinations as may be given to candidates for appointment as Foreign Service officers in accordance with the provisions of sections 516 and 517 or to any other person to whom an examination for admission to the Service shall be given in accordance with the provisions of this or any other Act or any regulations issued pursuant thereto, and provide for such procedures as may be necessary to determine the loyalty of such persons to the United States and their attachment to the principles of the Constitution.

(b) The membership of the Board of Examiners for the Foreign Service, not more than half of which shall consist of Foreign Service officers, shall be constituted in accordance with regulations prescribed by the Secretary.

TITLE III—DUTIES

PART A.—GENERAL DUTIES

COMPLIANCE WITH TERMS OF STATUTES, INTERNATIONAL AGREEMENTS, AND EXECUTIVE ORDERS

SEC. 301. Officers and employees of the Service shall, under the direction of the Secretary, represent abroad the interests of the United States and shall perform the duties and comply with the obligations resulting from the nature of their appointments or assignments or imposed on them by the terms of any law or by any order or regulation issued pursuant to law or by any international agreement to which the United States is a party.

DUTIES FOR WHICH REGULATIONS MAY BE PRESCRIBED

SEC. 302. The Secretary shall, except in an instance where the authority is specifically vested in the President, have authority to prescribe regulations not inconsistent with the Constitution and the laws of the United States in relation to the duties, functions, and obligations of officers and employees of the Service and the administration of the Service.

DELEGATION OF AUTHORITY TO PRESCRIBE REGULATIONS

SEC. 303. In cases where authority to prescribe regulations relating to the Service or the duties and obligations of officers and employees of the Service is specifically vested in the President by the terms of this or any other Act, the President may, nevertheless, authorize the Secretary to prescribe such regulations.

PART B—SERVICES FOR GOVERNMENT AGENCIES AND OTHER
ESTABLISHMENTS OF THE GOVERNMENT

SEC. 311. The officers and employees of the Service shall, under such regulations as the President may prescribe, perform duties and functions in behalf of any Government agency or any other establishment of the Government requiring their services, including those in the legislative and judicial branches, but the absence of such regulations shall not preclude officers and employees of the Service from acting for and on behalf of any such Government agency or establishment whenever it shall, through the Department, request their services.

TITLE IV—CATEGORIES AND SALARIES OF
PERSONNEL

PART A—CATEGORIES OF PERSONNEL

SEC. 401. The personnel of the Service shall consist of the following categories of officers and employees:

- (1) Chiefs of mission, who shall be appointed or assigned in accordance with the provisions of section 501;
- (2) Foreign Service officers, who shall be appointed in accordance with section 511, including those serving as chiefs of mission;
- (3) Foreign Service Reserve officers, who shall be assigned to the Service on a temporary basis from Government agencies or appointed on a temporary basis from outside the Government in accordance with the provisions of section 522, in order to make available to the Service such specialized skills as may from time to time be required;
- (4) Foreign Service staff officers and employees, who shall be appointed in accordance with the provisions of section 531 and who shall include all personnel who are citizens of the United States, not comprehended under paragraphs (1), (2), (3), and (6) of this section, and who shall occupy positions with technical, administrative, fiscal, clerical, or custodial responsibilities.
- (5) Alien clerks and employees, who shall be appointed in accordance with the provisions of section 541; and
- (6) Consular agents, who shall be appointed in accordance with the provisions of section 551.

PART B—SALARIES

CHIEFS OF MISSION

SEC. 411. The President shall for salary purposes classify into four classes the positions which are to be occupied by chiefs of mission. The per annum salaries of chiefs of mission within each class shall be as follows: Class 1, \$25,000 per annum; class 2, \$20,000; class 3, \$17,500; and class 4, \$15,000.

FOREIGN SERVICE OFFICERS

SEC. 412. There shall be seven classes of Foreign Service officers, including the class of career minister. The per annum salary of a career minister shall be \$13,500. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1, \$12,000, \$12,400, \$12,800, \$13,200, \$13,500;
 Class 2, \$10,000, \$10,350, \$10,700, \$11,050, \$11,400, \$11,750, \$11,900;
 Class 3, \$8,000, \$8,300, \$8,600, \$8,900, \$9,200, \$9,500, \$9,800, \$9,900;
 Class 4, \$6,000, \$6,300, \$6,600, \$6,900, \$7,200, \$7,500, \$7,800, \$7,900;
 Class 5, \$4,500, \$4,700, \$4,900, \$5,100, \$5,300, \$5,500, \$5,700, \$5,900;
 Class 6, \$3,300, \$3,500, \$3,700, \$3,900, \$4,100, \$4,300, \$4,400.

SALARIES AT WHICH FOREIGN SERVICE OFFICERS MAY BE APPOINTED

SEC. 413. (a) A person appointed as a Foreign Service officer of class 6 shall receive salary at that one of the rates provided for that class by section 412 which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

(b) A person appointed as a Foreign Service officer of classes 1 through 5, inclusive, shall receive salary at the minimum rate provided for the class to which he has been appointed.

FOREIGN SERVICE RESERVE OFFICERS

SEC. 414. (a) There shall be six classes of Foreign Service Reserve officers, referred to hereafter as Reserve officers, which classes shall correspond to classes 1 to 6 of Foreign Service officers.

(b) A Reserve officer shall receive salary at any one of the rates provided for the class to which he is appointed or assigned in accordance with the provisions of section 523.

(c) A person assigned as a Reserve officer from any Government agency shall receive his salary from appropriations provided for the Department during the period of his service as a Reserve officer.

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 415. There shall be twenty-two classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees. The per annum rates of salary of staff officers and employees within each class shall be as follows:

Class 1, \$8,820, \$9,120, \$9,420, \$9,720, \$10,000;
 Class 2, \$8,100, \$8,340, \$8,580, \$8,820, \$9,120;
 Class 3, \$7,380, \$7,620, \$7,860, \$8,100, \$8,340;
 Class 4, \$6,660, \$6,900, \$7,140, \$7,380, \$7,620;

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Class 5, \$6,120, \$6,300, \$6,480, \$6,660, \$6,900, \$7,140;
 Class 6, \$5,580, \$5,760, \$5,940, \$6,120, \$6,300, \$6,480;
 Class 7, \$5,040, \$5,220, \$5,400, \$5,580, \$5,760, \$5,940;
 Class 8, \$4,500, \$4,680, \$4,860, \$5,040, \$5,220, \$5,400;
 Class 9, \$3,960, \$4,140, \$4,320, \$4,500, \$4,680, \$4,860;
 Class 10, \$3,600, \$3,720, \$3,840, \$3,960, \$4,140, \$4,320, \$4,500;
 Class 11, \$3,240, \$3,360, \$3,480, \$3,600, \$3,720, \$3,840, \$3,960;
 Class 12, \$2,880, \$3,000, \$3,120, \$3,240, \$3,360, \$3,480, \$3,600;
 Class 13, \$2,520, \$2,640, \$2,760, \$2,880, \$3,000, \$3,120, \$3,240;
 Class 14, \$2,160, \$2,280, \$2,400, \$2,520, \$2,640, \$2,760, \$2,880;
 Class 15, \$1,980, \$2,040, \$2,100, \$2,160, \$2,280, \$2,400, \$2,520;
 Class 16, \$1,800, \$1,860, \$1,920, \$1,980, \$2,040, \$2,100, \$2,160;
 Class 17, \$1,620, \$1,680, \$1,740, \$1,800, \$1,860, \$1,920, \$1,980;
 Class 18, \$1,440, \$1,500, \$1,560, \$1,620, \$1,680, \$1,740, \$1,800;
 Class 19, \$1,260, \$1,320, \$1,380, \$1,440, \$1,500, \$1,560, \$1,620;
 Class 20, \$1,080, \$1,140, \$1,200, \$1,260, \$1,320, \$1,380, \$1,440;
 Class 21, \$900, \$960, \$1,020, \$1,080, \$1,140, \$1,200, \$1,260;
 Class 22, \$720, \$780, \$840, \$900, \$960, \$1,020, \$1,080.

SALARIES AT WHICH FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES MAY
BE APPOINTED

SEC. 416. A person appointed as a staff officer or employee shall receive salary at the minimum rate provided for the class to which appointed except as otherwise provided in accordance with the provisions of part E of this title.

SALARIES OF ALIEN CLERKS AND EMPLOYEES

SEC. 417. The salary or compensation of an alien clerk or employee shall be fixed by the Secretary in accordance with such regulations as he shall prescribe and, as soon as practicable, in accordance with the provisions of section 444 (b). The salary or compensation of an alien clerk or employee fixed on a per annum basis may, notwithstanding the provisions of any other law, be payable on a weekly or biweekly basis. When a one- or two-week pay period of such a clerk or employee begins in one fiscal year and ends in another, the gross amount of the earnings for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

SALARIES OF CONSULAR AGENTS

SEC. 418. The salary or compensation of a consular agent shall be fixed by the Secretary in accordance with such regulations as he shall prescribe and, as soon as practicable, in accordance with the provisions of section 445.

PART C—SALARIES OF OFFICERS TEMPORARILY IN CHARGE

AS CHARGÉS D'AFFAIRES AD INTERIM

SEC. 421. For such time as any Foreign Service officer shall be authorized to act as chargé d'affaires ad interim at the post to which he is assigned, he shall receive, in addition to his basic salary as Foreign Service officer, compensation equal to that portion of the differ-

ence between such salary and the basic salary provided for the chief of mission as the Secretary may determine to be appropriate.

AS OFFICERS IN CHARGE OF CONSULATES GENERAL OR CONSULATES

SEC. 422. For such time as any Foreign Service officer or any consul or vice consul who is not a Foreign Service officer is temporarily in charge of a consulate general or consulate during the absence or incapacity of the principal officer, he shall receive, in addition to his basic salary as Foreign Service officer or consul or vice consul, compensation equal to that portion which the Secretary shall determine to be appropriate of the difference between such salary and the basic salary provided for the principal officer, or, if there be none, of the former principal officer.

PART D—TIME OF RECEIVING SALARY

CHIEFS OF MISSION

SEC. 431. (a) Under such regulations as the Secretary may prescribe, a chief of mission may be entitled to receive salary from the effective date of his appointment to the date marking his return to his place of residence at the conclusion of the period of his official service as chief of mission or the termination of time spent on authorized leave, whichever shall be later, but no chief of mission shall be entitled to receive salary while absent from his post whenever the Secretary shall find that such absence was without authorization or justification. If a chief of mission in one position is appointed as chief of mission in another position, he shall be entitled to receive the salary pertaining to the new position commencing on the effective date of the new appointment.

(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission and has rendered such additional services to the Department as the Secretary may require him to render in the interests of the Government for a period not in excess of thirty days, exclusive of time spent in transit.

(c) During the service of a Foreign Service officer as chief of mission he shall receive, in addition to his salary as Foreign Service officer, compensation equal to the difference, if any, between such salary and the salary of the position to which he is appointed or assigned.

OTHER OFFICERS AND EMPLOYEES

SEC. 432. (a) Under such regulations as the Secretary may prescribe, any officer or employee appointed to the Service may be entitled to receive salary from the effective date of his appointment to the date when he shall have returned to his place of residence at the conclusion of the period of his official service, or the termination of time spent on authorized leave, whichever shall be later, but no such officer or employee shall be entitled to receive salary while absent from his post whenever the Secretary shall find that such absence was without authorization or justification.

(b) A Foreign Service officer, appointed during a recess of the Senate, shall be paid salary from the effective date of his appointment until the end of the next session of the Senate, if he has not theretofore been confirmed by the Senate, or until his rejection by the Senate before the end of its next session.

(c) A Foreign Service officer promoted to a higher class shall receive salary at the rate prescribed in section 412 for the class to which he is promoted from the effective date of his appointment to such class. A Foreign Service officer promoted to a higher class during a recess of the Senate shall receive salary at the rate prescribed for the class to which he is promoted from the effective date of his appointment to such class until the end of the next session. If the Senate should reject or fail to confirm the promotion of such an officer during the session following the date of his promotion, the Foreign Service officer shall, unless he has become liable to separation in accordance with the provisions of section 633 or 634, be automatically reinstated in the class from which he was promoted and receive the salary he was receiving prior to his promotion, such reinstatement to be effective, in the event of rejection of the nomination, from the date of rejection; and in the event of the failure of the Senate to act on the nomination during the session following a promotion, from the termination of that session.

PART E—CLASSIFICATION

CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE

SEC. 441. Under such regulations as he may prescribe, the Secretary shall classify all positions in the Service, including those positions at foreign posts which may be held by career ministers, and shall allocate all positions occupied or to be occupied by staff officers or employees to classes and subclasses established by sections 415 and 442, respectively, and by alien employees and consular agents to such classes as may be established by regulation.

ADMINISTRATIVE ESTABLISHMENT OF NEW GROUPS OF POSITIONS FOR FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 442. The Secretary may, whenever he deems such action to be in the interests of good administration and warranted by the nature of the duties and responsibilities of any group of positions occupied or to be occupied by staff officers and employees in comparison with other positions in the same class, establish by regulation for any such group of positions a minimum salary computed at any one of the rates of salary above the minimum for a given class but not in excess of the middle rate provided for that class in section 415. Such groups of positions shall, for the purposes of this Act, be known as subclasses.

ADMINISTRATIVE ESTABLISHMENT OF SALARY DIFFERENTIALS

SEC. 443. Whenever the President shall find and declare that the rates of salary provided for Foreign Service staff officers and employees in section 415 are inadequate for any positions allocated

to any particular class or subclass, he may, under such regulations as he may prescribe, establish necessary schedules of differentials in the rates of salary prescribed for such classes or subclasses, but the differential in salary of a person holding any such position shall not exceed 25 per centum of the salary he would otherwise receive. Such differentials shall be granted only with respect to positions at posts at which extraordinarily difficult living conditions or excessive physical hardship prevail or at which notably unhealthful conditions exist. The Secretary shall prepare and maintain a list of such posts.

CLASSIFICATION OF POSITIONS OF ALIEN CLERKS AND EMPLOYEES

SEC. 444. (a) Upon the basis of the classification provided for in section 441, the Secretary shall, with the advice of the Board of the Foreign Service, from time to time prepare schedules of salaries for classes of positions of alien clerks and employees of the Service, which classes shall be established by regulation, and shall allocate all such positions to the appropriate classes.

(b) All alien employees in an area of comparatively uniform wage scales and standards of living, occupying positions of equal responsibility, shall receive equal pay except as there may be increases provided for length of service in accordance with uniform procedures.

CLASSIFICATION OF CONSULAR AGENTS

SEC. 445. Upon the basis of the classification provided for in section 441, the Secretary shall, with the advice of the Board of the Foreign Service, from time to time prepare schedules of salaries for classes of positions of consular agents, which classes shall be established by regulation, and shall allocate all such positions to the appropriate classes.

EXEMPTION FROM THE APPLICATION OF THE CLASSIFICATION ACT

SEC. 446. Title II of the Act of November 26, 1940, entitled "An Act extending the classified executive Civil Service of the United States" (54 Stat. 1212; 5 U. S. C. 681), is hereby further amended by deleting paragraph (vii) of section 3 (d) and by substituting in lieu of the present language of paragraph (vi) of section 3 (d) the following language: "Offices or positions of officers and employees of the Foreign Service".

TITLE V—APPOINTMENTS AND ASSIGNMENTS

PART A—PRINCIPAL DIPLOMATIC REPRESENTATIVES

APPOINTMENTS

SEC. 501. (a) The President shall, by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ministers.

(b) The President may, in his discretion, assign any Foreign Service officer to serve as minister resident, chargé d'affaires, commissioner, or diplomatic agent for such period as the public interest may require.

LISTS OF FOREIGN SERVICE OFFICERS QUALIFIED TO BE CAREER MINISTERS
OR CHIEFS OF MISSION TO BE FURNISHED TO THE PRESIDENT

SEC. 502. (a) The Secretary shall, on the basis of recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment to the class of career minister together with pertinent information about such officers, but no person shall be appointed into the class of career minister who has not been appointed to serve as a chief of mission or appointed or assigned to serve in a position which, in the opinion of the Secretary, is of comparable importance. A list of such positions shall from time to time be published by the Secretary.

(b) The Secretary shall also, on the basis of recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment or assignment as chief of mission, together with pertinent information about such officers, in order to assist the President in selecting qualified candidates for appointment or assignment in such capacity.

PART B—FOREIGN SERVICE OFFICERS

APPOINTMENTS

SEC. 511. The President shall appoint Foreign Service officers by and with the advice and consent of the Senate. All appointments of Foreign Service officers shall be by appointment to a class and not to a particular post.

COMMISSIONS

SEC. 512. Foreign Service officers may be commissioned as diplomatic or consular officers or both and all official acts of such officers while serving under diplomatic or consular commissions shall be performed under their respective commissions as diplomatic or consular officers.

LIMITS OF CONSULAR DISTRICTS

SEC. 513. The Secretary shall define the limits of consular districts.

ASSIGNMENTS AND TRANSFERS

SEC. 514. A Foreign Service officer, commissioned as a diplomatic or consular officer, may be assigned by the Secretary to serve in any diplomatic position other than that of chief of mission or in any consular position, and he may also be assigned to serve in any other capacity in which he is eligible to serve under the terms of this or any other Act. He may be transferred from one post to another by order of the Secretary as the interests of the Service may require.

CITIZENSHIP REQUIREMENTS

SEC. 515. No person shall be eligible for appointment as a Foreign Service officer unless he is a citizen of the United States and has been such for at least ten years.

ADMISSION TO CLASS 6

SEC. 516. No person shall be eligible for appointment as a Foreign Service officer of class 6 unless he has passed such written, oral, physical, and other examinations as the Board of Examiners for the Foreign Service may prescribe to determine his fitness and aptitude for the work of the Service and has demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution. The Secretary shall furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 6.

ADMISSION TO CLASSES 1, 2, 3, 4, AND 5 WITHOUT PRIOR SERVICE IN CLASS 6

SEC. 517. A person who has not served in class 6 shall not be eligible for appointment as a Foreign Service officer of classes 1 to 5, inclusive, unless he has passed such written, oral, physical, and other examinations as the Board of Examiners for the Foreign Service may prescribe to determine his fitness and aptitude for the work of the Service; demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution; and rendered at least four years of actual service immediately prior to appointment in a position of responsibility in the Service or in the Department or both, except that, if he has reached the age of thirty-one years, the requirement as to service may be reduced to three years. The Secretary shall furnish the President with the names of those persons who shall have passed such examinations and are eligible for appointment as Foreign Service officers of classes 1 to 5, inclusive. The Secretary shall, taking into consideration the age, qualifications, and experience of each candidate for appointment, recommend the class to which he shall be appointed in accordance with the provisions of this section.

ADMISSION TO THE CLASS OF CAREER MINISTER

SEC. 518. No person shall be eligible for appointment to the class of career minister who is not a Foreign Service officer.

REASSIGNMENT TO FOREIGN SERVICE OF FORMER AMBASSADORS AND MINISTERS

SEC. 519. If, within three months of the date of the termination of his services as chief of mission and of any period of authorized leave, a Foreign Service officer has not again been appointed or assigned as chief of mission or assigned in accordance with the provisions of section 514, he shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

REINSTATEMENT AND RECALL OF FOREIGN SERVICE OFFICERS

SEC. 520. (a) The President may, by and with the advice and consent of the Senate, reappoint to the Service a former Foreign Service officer who has been separated from the Service by reason of appointment to some other position in the Government service and who has served continuously in the Government up to the time of reinstatement. The Secretary shall, taking into consideration the qualifications and experience of each candidate for reappointment and the

rank of his contemporaries in the Service, recommend the class to which he shall be reappointed in accordance with the provisions of this section.

(b) Whenever the Secretary shall determine an emergency to exist, the Secretary may recall any retired Foreign Service officer temporarily to active service.

PART C—FOREIGN SERVICE RESERVE OFFICERS

ESTABLISHMENT OF RESERVE

SEC. 521. In accordance with the terms of this Act and under such regulations as the Secretary shall prescribe, there shall be organized and maintained a Foreign Service Reserve, referred to hereafter as the Reserve.

APPOINTMENTS AND ASSIGNMENTS TO THE RESERVE

SEC. 522. Whenever the services of a person who is a citizen of the United States and who has been such for at least five years are required by the Service, the Secretary may—

(1) appoint as a Reserve officer for nonconsecutive periods of not more than four years each, a person not in the employ of the Government whom the Board of the Foreign Service shall deem to have outstanding qualifications of a specialized character; and

(2) assign as a Reserve officer for nonconsecutive periods of not more than four years each a person regularly employed in any Government agency, subject, in the case of an employee of a Government agency other than the Department of State, to the consent of the head of the agency concerned.

APPOINTMENT OR ASSIGNMENT TO A CLASS

SEC. 523. A Reserve officer, appointed or assigned to active duty, shall be appointed or assigned to a class and not to a particular post, and such an officer may be assigned to posts and may be transferred from one post to another by order of the Secretary as the interests of the Service may require. The class to which he shall be appointed or assigned shall depend on his age, qualifications, and experience.

COMMISSIONS

SEC. 524. Whenever the Secretary shall deem it in the interests of the Service that a Reserve officer shall serve in a diplomatic or consular capacity, he may recommend to the President that such officer be commissioned as a diplomatic or consular officer or both. The President may, by and with the advice and consent of the Senate, commission such officer as a diplomatic or consular officer or both, and all official acts of such an officer while serving under a diplomatic or consular commission shall be performed under his commission as a diplomatic or consular officer. In all other cases, appropriate rank and status, analogous to that of Foreign Service officers engaged in work of comparable importance shall be provided to permit Reserve officers to carry out their duties effectively.

ACTIVE DUTY

SEC. 525. The Secretary shall by regulation define the period during which a Reserve officer shall be considered as being on active duty.

BENEFITS

SEC. 526. A Reserve officer shall, except as otherwise provided in regulations which the Secretary may prescribe, receive all the allowances, privileges, and benefits which Foreign Service officers are entitled to receive in accordance with the provisions of title IX.

REAPPOINTMENT OR REASSIGNMENT OF RESERVE OFFICERS

SEC. 527. A person who has served as a Reserve officer may not be reappointed or reassigned to active duty until the expiration of a period of time equal to his preceding tour of duty or until the expiration of a year, whichever is the shorter.

REINSTATEMENT OF RESERVE OFFICERS

SEC. 528. Upon the termination of the assignment of a Reserve officer assigned from any Government agency, such person shall be entitled to reinstatement in the Government agency by which he is regularly employed in the same position he occupied at the time of assignment, or in a corresponding or higher position. Upon reinstatement he shall receive the within-grade salary advancements he would have been entitled to receive had he remained in the position in which he is regularly employed under subsection (d), section 7, of the Classification Act of 1923, as amended, or any corresponding provision of law applicable to the position in which he is serving. A certificate of the Secretary that such person has met the standards required for the efficient conduct of the work of the Foreign Service shall satisfy any requirements as to the holding of minimum ratings as a prerequisite to the receipt of such salary advancements.

PART D—FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

APPOINTMENTS

SEC. 531. The Secretary shall appoint staff officers and employees under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of sections 441, 442, and 443.

ASSIGNMENTS AND TRANSFERS

SEC. 532. The Secretary may, in accordance with uniform procedures established in such regulations as he may prescribe, assign a staff officer or employee to a position at any post and transfer such a person from a position in one class to a vacant position within the same class, and from one post to another. Upon demonstration of ability to assume duties of greater responsibility, such person may, as provided in section 641, be promoted to a vacant position in a higher class at the same or at a higher rate of salary and he may be transferred from one post to another in connection with such promotion.

COMMISSION AS CONSUL OR VICE CONSUL

SEC. 533. On the recommendation of the Secretary, the President may, by and with the advice and consent of the Senate, commission a staff officer or employee as consul. The Secretary may commission a staff officer or employee as vice consul. Official acts of staff officers or employees while serving under consular commissions in the Service shall be performed under their respective commissions as consular officers.

CITIZENSHIP REQUIREMENT

SEC. 534. No person shall be eligible for appointment as staff officer or employee who is not a citizen of the United States at the time of his appointment.

PART E—ALIEN CLERKS AND EMPLOYEES

APPOINTMENTS

SEC. 541. The Secretary shall appoint alien clerks and employees at posts abroad under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of section 444.

ASSIGNMENTS AND TRANSFERS

SEC. 542. The Secretary may assign an alien clerk or employee to a position at any post, and any such clerk or employee may be transferred from a position at one post to a position at another as the interests of the Service may require.

PART F—CONSULAR AGENTS

SEC. 551. The Secretary may appoint consular agents under such regulations as he may prescribe and, as soon as practicable, in accordance with the provisions of section 445.

PART G—ASSIGNMENT OF PERSONNEL BY THE WAR AND NAVY DEPARTMENTS

AS COURIERS AND INSPECTORS OF BUILDINGS

SEC. 561. The Secretaries of War and Navy are authorized, upon the request of the Secretary, to assign or detail military and naval personnel serving under their supervision for duty as inspectors of buildings owned or occupied abroad by the United States or as inspectors or supervisors of buildings under construction or repair abroad by or for the United States, or for duty as couriers of the Department; and, when so assigned or detailed, they may receive the same traveling expenses as are authorized for officers of the Service, payable from applicable appropriations of the Department. Such assignments or details may, in the discretion of the head of the department concerned, be made without reimbursement from the Department of State.

AS CUSTODIANS

SEC. 562. The Secretary of the Navy is authorized, upon request of the Secretary of State, to assign enlisted men of the Navy and the Marine Corps to serve as custodians under the supervision of the principal officer at an embassy, legation, or consulate.

PART H—ASSIGNMENT OF FOREIGN SERVICE PERSONNEL

ASSIGNMENTS TO ANY GOVERNMENT AGENCY

SEC. 571. (a) Any officer or employee of the Service may, in the discretion of the Director General, be assigned or detailed for duty in any Government agency, such an assignment or combination of assignments to be for a period of not more than four years. He may not again be assigned for duty in a Government agency until the expiration of a period of time equal to his preceding tour of duty on such assignment or until the expiration of two years, whichever is the shorter.

(b) A Foreign Service officer may be appointed as Director General or Deputy Director General, notwithstanding the provisions of the last sentence of paragraph (a) of this section, but any such officer may not serve longer than four years in such position or positions and upon the completion of such service may not again be assigned to a position in the Department until the expiration of a period of time equal to his tour of duty as Director General or Deputy Director General or until the expiration of two years, whichever is shorter.

(c) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, to a position in the Department, the period of his service in such capacity shall be construed as constituting an assignment for duty in the Department within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment or concerning reassignment contained in that paragraph.

(d) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary of the position in which he is serving in lieu of his salary as an officer or employee of the Service. Any salary paid under the provisions of this section shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service and shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII.

COMPULSORY SERVICE OF FOREIGN SERVICE OFFICERS IN THE CONTINENTAL UNITED STATES

SEC. 572. Every Foreign Service officer shall, during his first fifteen years of service in such capacity, be assigned for duty in the continental United States in accordance with the provisions of section 571 for periods totaling not less than three years.

ASSIGNMENT FOR CONSULTATION OR INSTRUCTION

SEC. 573. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed to any Government agency for consultation or specific instruction either at the commencement, during the course of, or at the close of the period of his official

service; and any such detail or assignment, if not more than four months in duration, shall not be considered as an assignment within the meaning of section 571.

(b) Any officer or employee of the Service may be assigned or detailed for special instruction or training at or with public or private nonprofit institutions; trade, labor, agricultural, or scientific associations; or commercial firms.

ASSIGNMENT TO TRADE, LABOR, AGRICULTURAL, SCIENTIFIC, OR
OTHER CONFERENCES

SEC. 574. An officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty with domestic or international trade, labor, agricultural, scientific, or other conferences, congresses, or gatherings, including those whose place of meeting is in the continental United States; or for other special duties, including temporary details under commission not at his post or in the Department.

ASSIGNMENTS TO FOREIGN GOVERNMENTS

SEC. 575. The Secretary may, in his discretion, assign or detail an officer or employee of the Service for temporary service to or in cooperation with the government of another country in accordance with the provisions of the Act of May 25, 1938, as amended (52 Stat. 442; 53 Stat. 652; 5 U. S. C. 118e).

ASSIGNMENTS TO INTERNATIONAL ORGANIZATIONS

SEC. 576. The Secretary may, in his discretion, assign or detail an officer or employee of the Service for temporary service to or in cooperation with an international organization in which the United States participates under the same conditions as those governing the assignment or detail of officers or employees of the Service to the government of another country in accordance with the provisions of the Act of May 25, 1938, as amended (52 Stat. 442; 53 Stat. 652; 5 U. S. C. 118e).

ASSIGNMENT OR DETAIL TO THE UNITED STATES NOT TO AFFECT PERSONNEL
CEILINGS

SEC. 577. An officer or employee of the Service assigned or detailed to the continental United States in accordance with the provisions of this Act shall not be counted as a civilian employee within the meaning of section 607 of the Federal Employees' Pay Act of 1945, as amended by section 14 of the Federal Employees' Pay Act of 1946.

TITLE VI—PERSONNEL ADMINISTRATION

PART A—DEFINITIONS

SEC. 601. For the purposes of this title—

(1) "Efficiency record" is the term which describes those materials considered by the Director General to be pertinent to the preparation of an evaluation of the performance of an officer or employee of the Service.

(2) "Efficiency report" is the term which designates the analysis of the performance of an officer or employee made by his supervising officer or by a Foreign Service inspector in accordance with such regulations as may be prescribed by the Secretary.

PART B—EFFICIENCY RECORDS

RESPONSIBILITY OF THE DIRECTOR GENERAL FOR THE KEEPING OF EFFICIENCY RECORDS

SEC. 611. The Director General, acting under the general direction of the Board of the Foreign Service, shall be responsible for the keeping of accurate and impartial efficiency records. Under his direction there shall be assembled, recorded, and preserved all available information in regard to the character, ability, conduct, quality of work, industry, experience, dependability, and general usefulness of all officers and employees of the Service, including the reports of Foreign Service inspectors and the efficiency reports of supervising officers. The Director General shall undertake such statistical and other analyses as may be necessary to develop the validity and reliability of efficiency reporting forms and procedures.

TO WHOM RECORDS SHALL BE AVAILABLE

SEC. 612. The correspondence and records of the Department relating to the officers and employees of the Service, including efficiency records as defined in section 601 (1) but not including records pertaining to the receipt, disbursement, and accounting for public funds, shall be confidential and subject to inspection only by the President, the Secretary, the Under Secretary, the Counselor of the Department, the legislative and appropriations committees of the Congress charged with considering legislation and appropriations for the Service or representatives duly authorized by such committees, the members of the Board of the Foreign Service, the Director General, and such officers and employees of the Government as may be assigned by the Secretary to work on such records. Under such regulations as the Secretary may prescribe and in the interest of efficient personnel administration, the whole or any portion of an efficiency record shall, upon written request, be divulged to the officer or employee to whom such record relates.

PART C—PROMOTION OF FOREIGN SERVICE OFFICERS AND FOREIGN SERVICE RESERVE OFFICERS

PROMOTION OF FOREIGN SERVICE OFFICERS BY SELECTION

SEC. 621. All promotions of Foreign Service officers shall be made by the President, in accordance with such regulations as he may prescribe, by appointment to a higher class, by and with the advice and consent of the Senate. Promotion shall be by selection on the basis of merit.

ELIGIBILITY

SEC. 622. The Secretary shall, by regulation, determine the minimum period Foreign Service officers must serve in each class and a standard for performance for each class which they must meet in order to

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become eligible for promotion to a higher class. In the event the Director General shall certify to the Board of the Foreign Service that a Foreign Service officer has rendered extraordinarily meritorious service, the Board of the Foreign Service may recommend to the Secretary that such officer shall not be required to serve such minimum period in class as a prerequisite to promotion, and the Secretary may exempt such officer from such requirement.

RECOMMENDATIONS FOR PROMOTION

SEC. 623. The Secretary is authorized to establish, with the advice of the Board of the Foreign Service, selection boards to evaluate the performance of Foreign Service officers, and upon the basis of their findings the Secretary shall make recommendations to the President for the promotion of Foreign Service officers. No person assigned to serve on any such board shall serve in such capacity for any two consecutive years.

PROMOTION OF FOREIGN SERVICE RESERVE OFFICERS

SEC. 624. Any Reserve officer may receive promotions from one class to a next higher class in accordance with regulations prescribed by the Secretary.

IN-CLASS PROMOTIONS OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS

SEC. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Foreign Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. The Secretary is authorized to grant to a Foreign Service officer or a Reserve officer, in any class, additional increases in salary within the salary range established for the class in which he is serving, based upon especially meritorious service.

PART D—SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE

FOREIGN SERVICE OFFICERS WHO ARE CAREER MINISTERS

SEC. 631. Any Foreign Service officer who is a career minister, other than one occupying a position as chief of mission, shall, upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

FOREIGN SERVICE OFFICERS WHO ARE NOT CAREER MINISTERS

SEC. 632. Any Foreign Service officer who is not a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821 but when the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

FOREIGN SERVICE OFFICERS IN CLASSES 2 AND 3

SEC. 633. The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 2 or 3 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion to a higher class within that period shall be retired from the Service and receive retirement benefits in accordance with the provisions of section 821.

FOREIGN SERVICE OFFICERS IN CLASSES 4 AND 5

SEC. 634. (a) The Secretary shall prescribe the maximum period during which Foreign Service officers in classes 4 or 5 shall be permitted to remain in such classes without promotion. Any officer who does not receive a promotion to a higher class within that period shall be retired from the Service and receive benefits as follows:

(1) One-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, payable without interest, in three equal installments on the 1st day of January following the officer's retirement and on the two anniversaries of this date immediately following; and

(2) A refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, except that in lieu of such refund such officer may elect to receive retirement benefits on reaching the age of sixty-two, in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 5 and who has elected to receive retirement benefits dies before reaching the age of sixty-two, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest thereon at 4 per centum, compounded annually, shall be paid in accordance with the provisions of section 841.

(b) Notwithstanding the provisions of section 3477 of the Revised Statutes (31 U. S. C. 203) or the provisions of any other law, a Foreign Service officer who is retired in accordance with the provisions of this section shall have the right to assign to any person or corporation the whole or any part of the benefits receivable by him pursuant to paragraph (a) (1) of this section. Any such assignment shall be on a form approved by the Secretary of the Treasury and a copy thereof shall be deposited with the Secretary of the Treasury by the officer executing the assignment.

FOREIGN SERVICE OFFICERS RETIRED FROM CLASS 6

SEC. 635. Any Foreign Service officer in class 6 shall occupy probationary status. The Secretary may terminate his service at any time.

VOLUNTARY RETIREMENT

SEC. 636. Any Foreign Service officer who is at least fifty years of age and has rendered twenty years of service, including service within the meaning of section 853, may on his own application and with the

consent of the Secretary be retired from the Service and receive benefits in accordance with the provisions of section 821.

SEPARATION FOR UNSATISFACTORY PERFORMANCE OF DUTY

SEC. 637. (a) The Secretary may, under such regulations as he may prescribe, separate from the Service any Foreign Service officer above class 6 on account of the unsatisfactory performance of his duties; but no such officer shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties shall have been established at such hearing.

(b) Any Foreign Service officer over forty-five years of age, separated from the Service in accordance with the provisions of paragraph (a) of this section, shall be retired upon an annuity computed in accordance with the provisions of section 821 but not in excess of 25 per centum of his per annum salary at the time of his separation.

(c) Any Foreign Service officer under forty-five years of age, separated from the Service in accordance with the provisions of paragraph (a) of this section, shall at the time of separation receive a payment equal to one year's salary or the refund of the contributions made by him to the Foreign Service Retirement and Disability Fund, whichever shall be greater.

(d) Any payments made in accordance with the provisions of this section shall be made out of the Foreign Service Retirement and Disability Fund.

SEPARATION FOR MISCONDUCT OR MALFEASANCE

SEC. 638. The Secretary shall separate from the Service any Foreign Service officer or Reserve officer who shall be guilty of misconduct or malfeasance in office, but no such officer shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and his misconduct or malfeasance shall have been established at such hearing. Any officer separated from the Service in accordance with the provisions of this section shall not be eligible to receive the benefits provided by title VIII of this Act, but his contributions to the Foreign Service Retirement and Disability Fund shall be returned to him in accordance with the provisions of section 841 (a).

PART E—PROMOTION OF FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

CLASS PROMOTION OF STAFF PERSONNEL

SEC. 641. Any staff officer or employee may, in accordance with uniform procedures established in regulations prescribed by the Secretary, upon demonstration of ability to assume duties of greater responsibility, be promoted to a vacant position in a higher class at the same or at a higher rate of salary.

IN-CLASS PROMOTIONS OF STAFF OFFICERS AND EMPLOYEES

SEC. 642. In-class promotions of staff officers and employees shall be granted in accordance with regulations prescribed by the Secretary.

PART F—SEPARATION OF STAFF OFFICERS AND EMPLOYEES

FOR UNSATISFACTORY PERFORMANCE OF DUTY

SEC. 651. The Secretary may, under such regulations as he may prescribe, separate from the Service any staff officer or employee on account of the unsatisfactory performance of his duties, but no such officer or employee shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties shall have been established at such hearing.

FOR MISCONDUCT OR MALFEASANCE

SEC. 652. The Secretary shall separate from the Service any staff officer or employee who shall be guilty of misconduct or malfeasance in office, but no such officer or employee shall be so separated from the Service until he shall have been granted a hearing by the Board of the Foreign Service and his misconduct or malfeasance shall have been established at such hearing.

PART G—PROMOTION AND SEPARATION OF ALIEN CLERKS AND EMPLOYEES

PROMOTION

SEC. 661. Alien clerks and employees shall receive promotions from one class to a higher class and in-class promotions in accordance with regulations prescribed by the Secretary.

FOR UNSATISFACTORY PERFORMANCE OF DUTY

SEC. 662. The Secretary may, under such regulations as he may prescribe, separate from the Service any alien clerk or employee on account of the unsatisfactory performance of his duties.

SEPARATION FOR MISCONDUCT OR MALFEASANCE

SEC. 663. The Secretary shall separate from the Service any alien clerk or employee who shall be found guilty of misconduct or malfeasance.

PART H—SEPARATION OF CONSULAR AGENTS

SEC. 671. The Secretary may, under such regulations as he may prescribe, separate any consular agent from the Service on account of—

- (a) the unsatisfactory performance of his duties; or
- (b) misconduct or malfeasance.

PART I—INSPECTIONS

SEC. 681. The Secretary shall assign or detail Foreign Service officers as Foreign Service inspectors to inspect in a substantially uniform manner and at least once every two years the work of the diplomatic and consular establishments of the United States. Whenever the Secretary has reason to believe that the business of a consulate is not

being properly conducted and that it is necessary in the public interest, he may authorize any Foreign Service inspector to suspend the principal officer or any subordinate consular officer and to administer the office in the place of the principal officer for a period not exceeding ninety days. The Secretary may also authorize a Foreign Service inspector to suspend any diplomatic officer except a chief of mission. A Foreign Service inspector shall have the authority to suspend any other officer or employee of the Service.

TITLE VII—THE FOREIGN SERVICE INSTITUTE

ESTABLISHMENT OF THE INSTITUTE

SEC. 701. The Secretary shall, in order to furnish training and instruction to officers and employees of the Service and of the Department and to other officers and employees of the Government for whom training and instruction in the field of foreign relations is necessary, and in order to promote and foster programs of study incidental to such training, establish a Foreign Service Institute, hereinafter called the Institute.

THE DIRECTOR OF THE INSTITUTE—APPOINTMENT, SALARY, AND DUTIES

SEC. 702. The head of the Institute, who shall be known as its Director, shall be appointed by the Secretary. The Director shall, under the general supervision of the Director General and under such regulations as the Secretary may prescribe, establish the basic procedures to be followed by the Institute; plan and provide for the general nature of the training and instruction to be furnished at the Institute; correlate the training and instruction to be furnished at the Institute with the training activities of the Department and other Government agencies and with courses given at private institutions that are designed or may serve to furnish training and instruction to officers and employees of the Service; encourage and foster such programs outside of the Institute as will be complementary to those of the Institute; and take such other action as may be required for the proper administration of the Institute.

AID TO NONPROFIT INSTITUTIONS

SEC. 703. The Secretary may, within the limits of such appropriations as may be made specifically therefor, make grants or furnish such other gratuitous assistance as he may deem necessary or advisable to nonprofit institutions cooperating with the Institute in any of the programs conducted by the Director by authority of this title.

APPOINTMENT, ASSIGNMENT, AND DETAIL TO THE INSTITUTE

SEC. 704. (a) The Secretary may appoint to the faculty or staff of the Institute on a full- or part-time basis such personnel as he may deem necessary to carry out the provisions of this title in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed necessary by the Secretary for the effective administration of this title, personnel may be appointed without regard to such laws and regulations, but any person so appointed shall receive a salary at one of the rates provided by the Classification Act of 1923, as amended. All

appointments to the faculty or staff of the Institute shall be made without regard to political affiliations and shall be made solely on the basis of demonstrated interest in, and capacity to promote, the purposes of the Institute.

(b) The Secretary may, under such regulations as he may prescribe and on a full- or part-time basis, assign or detail officers and employees of the Service to serve on the faculty or staff of the Institute or to receive training at the Institute.

(c) The Secretary may, under such regulations as he may prescribe and on a full- or part-time basis, assign or detail any officer or employee of the Department, and, with the consent of the head of the Government agency concerned, any other officer or employee of the Government, to serve on the faculty or staff of the Institute, or to receive training. During the period of his assignment or detail, such officer or employee shall be considered as remaining in the position from which assigned.

(d) It shall be the duty of the Director to make recommendations to the Secretary with regard to the appointment, assignment, or detail of persons to serve on the faculty or staff of the Institute, and the Secretary shall in each case take such recommendations into consideration in making such appointments, assignments, or details.

INSTRUCTION AND EDUCATION AT OTHER LOCALITIES THAN THE INSTITUTE

SEC. 705. The Secretary may, under such regulations as he may prescribe, pay the tuition and other expenses of officers and employees of the Service, assigned or detailed in accordance with the provisions of section 573 (b) for special instruction or training at or with public or private nonprofit institutions, trade, labor, agricultural, or scientific associations, or commercial firms.

ENDOWMENTS AND GIFTS TO THE INSTITUTE

SEC. 706. The Secretary may accept, receive, hold, and administer gifts, bequests, or devises of money, securities, or property made for the benefit of, or in connection with, the Foreign Service Institute in accordance with part C of title X.

ACQUISITION OF REAL PROPERTY FOR THE INSTITUTE

SEC. 707. The Secretary may, in the name of the United States, acquire such real property as may be necessary for the operation and maintenance of the Institute and, without regard to section 3709 of the Revised Statutes, such other property and equipment as may be necessary for its operation and maintenance.

TITLE VIII—THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

PART A—ESTABLISHMENT OF SYSTEM

RULES AND REGULATIONS

SEC. 801. (a) The President may prescribe rules and regulations for the maintenance of a Foreign Service Retirement and Disability System, originally established by section 18 of the Act of May 24, 1924 (43 Stat. 144), referred to hereafter as the System.

(b) The Secretary shall administer the System in accordance with such rules and regulations and with the principles established by this Act.

MAINTENANCE OF FUND

SEC. 802. The Secretary of the Treasury shall maintain the special fund, known as the Foreign Service Retirement and Disability Fund, referred to hereafter as the Fund, originally constituted by section 18 of the Act of May 24, 1924 (43 Stat. 144).

PARTICIPANTS

SEC. 803. (a) The following persons, hereafter referred to as participants, shall be entitled to the benefits of the System:

- (1) All Foreign Service officers;
- (2) All other persons making contributions to the Fund on the effective date of this Act;
- (3) Any chief of mission who is not otherwise entitled to be a participant and who fulfills the conditions of paragraph (b) of this section;

(b) A person to become a participant in accordance with the provisions of paragraphs (a) (3) of this section must—

(1) have served as chief of mission for an aggregate period of twenty years or more, exclusive of extra service credit in accordance with the provisions of section 853; and

(2) have paid into the Fund a special contribution equal to 5 per centum of his basic salary for each year of such service with interest thereon to date of payment, compounded annually at 4 per centum.

ANNUITANTS

SEC. 804. Annuitants shall be persons who are receiving annuities from the Fund on the effective date of this Act, persons who shall become entitled to receive annuities in accordance with the provisions of sections 519, 631, 632, 633, 634, 636, 637, 831, 832, and 833, and all widows and beneficiaries of participants who are entitled to receive annuities in accordance with the terms of this title.

PART B—COMPULSORY CONTRIBUTIONS

SEC. 811. (a) Five per centum of the basic salary of all participants shall be contributed to the Fund, and the Secretary of the Treasury is directed to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Fund for the payment of annuities, cash benefits, refunds, and allowances.

(b) All basic salaries in excess of \$13,500 per annum shall be treated as \$13,500 for the purposes of this title.

PART C—COMPUTATION OF ANNUITIES

SEC. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary, not exceeding \$13,500 per annum, for the five years next preceding the date of his retirement multiplied by the number of years of service, not exceeding thirty years. In determining the aggregate period of service upon which the

annuity is to be based, the fractional part of a month, if any, shall not be counted.

(b) At the time of his retirement, a participant, if the husband of a wife to whom he has been married for at least three years or who is the mother of issue by such marriage, may elect to receive a reduced annuity for himself and to provide for an annuity payable to his widow, commencing on the date following his death and continuing as long as she may live. The annuity payable to his widow shall in no case exceed 25 per centum of his average basic salary for the five years next preceding his retirement or $66\frac{2}{3}$ per centum of his reduced annuity. If the age of the participant is less than the age of the wife or exceeds her age by not more than eight years, the annuity of the participant will be reduced by an amount equal to one-half of the annuity which he elects to have paid to his widow. If the age of the participant exceeds the age of the wife by more than eight years, the annuity of the participant will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow plus an additional reduction equal to 2 per centum of such widow's annuity for each year, or fraction thereof, that the difference in age exceeds eight. The participant may at his option also elect to have his annuity reduced by an additional 5 per centum of the amount which he elects to have paid to his widow, with a provision that, from and after the death of his wife, if the participant shall survive her, the annuity payable to the participant shall be that amount which would have been payable if no option had been elected.

(c) A participant who is not married at the time of his retirement or who is married to a wife who is not entitled to an annuity in accordance with the provisions of paragraph (b) of this section may elect to receive a reduced annuity for himself and to provide for an additional annuity payable after his death to a beneficiary whose name shall be notified in writing to the Secretary at the time of his retirement and who is acceptable to the Secretary. The annuity payments payable to such beneficiary shall be either equal to the deceased participant's reduced annuity payments or equal to 50 per centum of such reduced annuity payments and upon the death of the surviving beneficiary all payments shall cease and no further annuity payments shall be due or payable. The combined actuarial value of the two annuities on the date of retirement as determined by the Secretary of the Treasury shall be the same as the actuarial value of the annuity provided by paragraph (a) of this section. No such election of a reduced annuity payable to a beneficiary other than a child of the participant shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. Annuity payments payable in accordance with the provisions of this section to a beneficiary who is a child of a participant shall cease when the beneficiary reaches the age of twenty-one years.

PART D—BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

RETIREMENT FOR DISABILITY OR INCAPACITY—PHYSICAL EXAMINATION—RECOVERY

SEC. 831. (a) Any participant who, after serving for a total period of not less than five years, becomes totally disabled or incapacitated

for useful and efficient service by reason of disease or injury incurred in the line of duty but not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapacitated participant has had less than twenty years of service at the time he is retired, his annuity shall be computed on the assumption that he had had twenty years of service.

(b) In each case such disability shall be determined by the report of a duly qualified physician or surgeon, designated by the Secretary to conduct the examination. Unless the disability is permanent, a like examination shall be made annually until the annuitant has reached the retirement age as defined in sections 631 and 632, and the payment of the annuity shall cease from the date of a medical examination showing recovery. Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Fund.

(c) When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or his legal representatives in the order of precedence prescribed in section 841.

DEATH IN SERVICE

SEC. 832. In case a participant shall die without having established a valid claim for annuity, the total amount of his contributions with interest thereon at 4 per centum per annum, compounded on June 30 of each year, except as provided in section 881 and as hereinafter provided in this section, shall be paid to his legal representatives in the order of precedence given under section 841 upon the establishment of a valid claim therefor. If the deceased participant rendered at least five years of service, and is survived by a widow to whom he was married for at least three years, or who is the mother of issue by such marriage, such widow shall be paid an annuity equal to the annuity which she would have been entitled to receive if her husband had been retired on the date of his death and had elected to receive a reduced joint and survivorship annuity, computed as prescribed in section 821, providing the maximum annuity for his widow, unless prior to the date of his death he shall have elected, in lieu of such widow's annuity, and with the approval of the Secretary, to have his deductions returned with interest as provided in the first sentence of this section covering participants dying without having established a valid claim for annuity. If the deceased participant had had less than twenty years of service at the time of his death, the annuity payable to his widow shall be computed on the assumption that he had had twenty years of service.

RETIREMENT OF PERSONS WHO ARE PARTICIPANTS UNDER SECTION 803 (A) (3)

SEC. 833. (a) Any person who is a participant, has at least twenty years of service to his credit, and has reached the age of fifty years, but is not a Foreign Service officer at the time he is retired in accord-

ance with the provisions of law governing retirement in the position that he occupies, shall be entitled to an annuity computed as prescribed in section 821.

(b) Any person who is a participant in accordance with the provisions of section 803 (a) (3) shall be entitled to voluntary retirement to the same extent and subject to the same conditions as a Foreign Service officer.

PART E—DISPOSITION OF CONTRIBUTIONS AND INTEREST IN EXCESS OF BENEFITS RECEIVED

SEC. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually up to the date of such separation, except as provided in section 881, shall be returned to him.

(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest compounded annually at 4 per centum added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor:

(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

(2) If there be no such beneficiary, to the duly appointed executor or administrator of the estate of the retired participant;

(3) If there be no such beneficiary, or executor or administrator, payment may be made to such person or persons as may appear in the judgment of the Secretary to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

(c) No payment shall be made pursuant to paragraph (b) (3) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant.

PART F—PERIOD OF SERVICE FOR ANNUITIES

COMPUTATION OF LENGTH OF SERVICE

SEC. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as Foreign Service officer, or, if appointed prior to July 1, 1924, as diplomatic secretary, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times as either a diplomatic or consular officer, or while on assignment to the Department, or while on special duty or service in another department or establishment of the Government, or while on any

assignment in accordance with the provisions of part H of title V, but all periods of separation from the Service and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year shall be excluded, except sick leaves of absence for illness or injury incurred in the line of duty, with or without pay, and leaves of absences granted participants while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

PRIOR SERVICE CREDIT

SEC. 852. (a) A participant may, subject to the provisions of this section, include in his period of service—

- (1) service performed as a civilian officer or employee of the Government prior to becoming a participant; and
- (2) active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

(b) A person may obtain credit for prior service by making a special contribution to the Fund equal to 5 per centum of his annual salary for each year of service for which credit is sought subsequent to July 1, 1924, with interest thereon to date of payment compounded annually at 4 per centum. Any such participant may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments during the continuance of his service.

(c) Nothing in this Act shall be construed so as to affect in any manner a participant's right to retired pay, pension, or compensation in addition to the annuities herein provided, but no participant may obtain prior service credit toward an annuity under the Foreign Service Retirement and Disability System for any period of service, whether in a civilian or military capacity, on the basis of which he is receiving or will in the future be entitled to receive any annuity, pension, or other retirement or disability payment or allowance.

EXTRA SERVICE CREDIT FOR SERVICE AT UNHEALTHFUL POSTS

SEC. 853. The President may from time to time establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts inclusive of regular leaves of absence, of participants thereafter retired, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such service. The President may at any time cancel the designation of any places as unhealthful without affecting any credit which has accrued for service at such posts prior to the date of the cancellation.

CREDIT FOR SERVICE WHILE ON MILITARY LEAVE

SEC. 854. Contributions shall not be required covering periods of leave of absence from the Service granted a participant while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

PART G—MONEYS

ESTIMATE OF APPROPRIATIONS NEEDED

SEC. 861. The Secretary of the Treasury shall prepare the estimates of the annual appropriations required to be made to the Fund, and shall make actuarial valuations of such funds at intervals of five years, or oftener if deemed necessary by him. The Secretary of State may expend from money to the credit of the Fund an amount not exceeding \$5,000 per annum for the incidental expenses necessary in administering the provisions of this title, including actuarial advice.

ANNUAL REPORT TO CONGRESS

SEC. 862. The Secretary shall submit annually to the President and to the Congress a comparative report showing the condition of the Fund and estimates of appropriations necessary to continue this title in full force.

INVESTMENT OF MONEYS IN THE FUND

SEC. 863. The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States such portions of the Fund as in his judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances, and the income derived from such investments shall constitute a part of such Fund.

ATTACHMENT OF MONEYS

SEC. 864. None of the moneys mentioned in this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 634 (b).

PART H—OFFICERS REINSTATED IN THE SERVICE

SEC. 871. A Foreign Service officer, reinstated in the Service in accordance with the provisions of section 520 (b) shall, while so serving, be entitled in lieu of his retirement allowance to the full pay of the class in which he is temporarily serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. If the annuity he was receiving prior to his reinstatement in the Service was based on less than thirty years of service credit, the amount of his annuity when he reverts to the retired list shall be recomputed on the basis of his total service credit.

PART I—VOLUNTARY CONTRIBUTIONS

SEC. 881. (a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded on June 30 of each year shall, at the date of his retirement and at his election, be—

- (1) returned to him in a lump sum; or
- (2) used to purchase an additional life annuity; or

(3) used to purchase an additional life annuity for himself and to provide for a cash payment on his death to a beneficiary whose name shall be notified in writing to the Secretary by the participant; or

(4) used to purchase an additional life annuity for himself and a life annuity commencing on his death payable to a beneficiary whose name shall be notified in writing to the Secretary by the participant with a guaranteed return to the beneficiary or his legal representative of an amount equal to the cash payment referred to in paragraph 3.

(b) The benefits provided by subparagraphs 2, 3, or 4 of paragraph (a) of this section shall be actuarially equivalent in value to the payment provided for by paragraph (a) (1) of this section and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Secretary of the Treasury.

(c) In case a participant shall become separated from the Service for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 per centum per annum, compounded annually, made by him under the provisions of this paragraph shall be refunded in the manner provided in section 841 for the return of contributions and interest in the case of death or withdrawal from active service.

(d) Any benefits payable to an officer or to his beneficiary in respect to the additional deposits provided under this paragraph shall be in addition to the benefits otherwise provided under this title.

TITLE IX—ALLOWANCES AND BENEFITS

PART A—ALLOWANCES AND SPECIAL ALLOTMENTS

QUARTERS, COST OF LIVING, AND REPRESENTATION ALLOWANCES

SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U. S. C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States—

(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Service and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) cost-of-living allowances, whenever the Secretary shall determine—

(i) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Service at such post to carry on his work efficiently;

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Service incident to the establishment of his residence at his post of assignment;

(iii) that an allowance is necessary to assist an officer or employee of the Service who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Service.

ALLOTMENT FOR OFFICIAL RESIDENCE OF CHIEF AMERICAN REPRESENTATIVE

SEC. 902. The Secretary may, under such regulations as he may prescribe, make an allotment of funds to any post to defray the unusual expenses incident to the operation and maintenance of an official residence suitable for the chief representative of the United States at that post.

ACCOUNTING FOR ALLOWANCES

SEC. 903. All such allowances and allotments shall be accounted for to the Secretary in such manner and under such rules and regulations as the President may prescribe. The Secretary shall report all such expenditures annually to the Congress with the budget estimates of the Department.

PART B—TRAVEL AND RELATED EXPENSES

GENERAL PROVISIONS

SEC. 911. The Secretary may, under such regulations as he shall prescribe, pay—

(1) the travel expenses of officers and employees of the Service, including expenses incurred while traveling pursuant to orders issued by the Secretary in accordance with the provisions of section 933 with regard to the granting of home leave;

(2) the travel expenses of the members of the family of an officer or employee of the Service when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) the cost of transporting the furniture and household and personal effects of an officer or employee of the Service to his successive posts of duty and, on the termination of his services, to the place where he will reside;

(4) the cost of storing the furniture and household and personal effects of an officer or employee of the Service who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Service on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;

(6) the travel expenses of the members of the family and the cost of transporting the personal effects and automobile of an officer or employee of the Service, whenever the travel of such officer or employee is occasioned by changes in the seat of the government whose capital is his post;

(7) the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Service and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(8) the cost of preparing and transporting to their former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Service who is a citizen of the United States and of the members of his family who may die abroad or while in travel status.

LOAN OF HOUSEHOLD EQUIPMENT

SEC. 912. The Secretary may, if he shall find it in the interests of the Government to do so as a means of eliminating transportation costs, provide officers and employees of the Service with household equipment for use on a loan basis in personally owned or leased residences.

TRANSPORTATION OF AUTOMOBILES

SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned automobile in any case where he shall determine that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination.

PART C—COMMISSARY SERVICE

SEC. 921. The Secretary may, under such regulations as he may prescribe, and pursuant to appropriations therefor, establish and maintain emergency commissary or mess services in such places abroad where, in his judgment, such services are necessary temporarily to insure the effective and efficient performance of the duties and responsibilities of the Service, such services to be available to the officers and employees of all Government agencies located in any such places abroad. Reimbursements incident to the maintenance and operation of commissary or mess service shall be at not less than cost as determined by the Secretary and shall be used as working funds: *Provided*, That each year an amount equal to the amount of the appropriation

for such service shall be covered into the Treasury as miscellaneous receipts not later than six months after the close of the fiscal year for which any such appropriation is made.

PART D—LEAVES OF ABSENCE

ANNUAL LEAVE

SEC. 931. (a) The Secretary may, in his discretion and in accordance with such regulations as he may prescribe, grant an officer or employee of the Service who is a citizen of the United States not to exceed sixty calendar days' annual leave of absence with pay.

(b) Where an officer or employee on leave returns to the continental United States, the leave of absence granted pursuant to the provisions of paragraph (a) of this section shall be exclusive of the time actually and necessarily occupied in going to and from the continental United States, and such time as may be necessarily occupied in awaiting sailing or flight.

(c) Any part of the sixty days' annual leave which an officer or employee may receive and which is not used in any one year shall be accumulated for succeeding years until it totals one hundred and eighty days.

(d) The Secretary may in his discretion and subject to such regulations as he may prescribe, grant to an employee of the Service who is not a citizen of the United States thirty calendar days' annual leave with pay each calendar year. Any part of the thirty days' leave not used in any year shall be accumulated for succeeding years until it totals not exceeding sixty days.

SICK LEAVE

SEC. 932. The Secretary may in his discretion and subject to such regulations as he may prescribe, grant an officer or employee of the Service sick leave with pay at the rate of fifteen calendar days each calendar year. Any part of the fifteen days' sick leave not used or availed of in any year shall be accumulated for succeeding years until it totals one hundred and twenty days.

ORDERING RETURN OF PERSONNEL TO UNITED STATES ON LEAVES OF ABSENCE

SEC. 933. (a) The Secretary shall order to the continental United States on statutory leave of absence every officer and employee of the Service who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(b) While in the continental United States on leave, the service of any officer or employee shall be available for such work or duties in the Department or elsewhere as the Secretary may prescribe, but the time of such work or duties shall not be counted as leave.

RESERVE OFFICERS ASSIGNED TO THE SERVICE

SEC. 934. (a) A Reserve officer, assigned to the Service from any Government agency shall, notwithstanding the provisions of any other law, be granted annual leave of absence and sick leave of absence in accordance with the provisions of part D of this title during the period of his assignment.

(b) Under such regulations as the President may prescribe, a person assigned to the Service as a Reserve officer from any Government agency may, notwithstanding the provisions of the Act of December 21, 1944 (58 Stat. 845; 5 U. S. C. 61b), transfer to the Service any annual or sick leave of absence standing to his credit at the time of his assignment to the Service. On his return to the agency by which he is regularly employed, he may transfer the aggregate of his accumulated and current annual and sick leave to that agency but the amount of leave so transferred shall not exceed the maximum which an officer or employee of the agency to which he is returning may have to his credit on the date of his return.

TRANSFER OF LEAVE OF ABSENCE

SEC. 935. Under such regulations as the President may prescribe an officer or employee of the Service who resigns from the Service in order to accept an appointment in any Government agency may transfer to such Government agency any annual or sick leave of absence standing to his credit at the time of his resignation from the Service and any officer or employee of any Government agency who resigns from such agency in order to accept an appointment to the Service may transfer to the Service any annual or sick leave of absence standing to his credit at the time of his resignation from the Government agency in which he was employed, but in no event shall the amount of annual or sick leave of absence so transferred exceed the maximum amount of the annual or sick leave of absence which may be accumulated in either the Service or the Government agency to which such person is appointed, as the case may be.

PART E—MEDICAL SERVICES

EXPENSES OF TREATMENT

SEC. 941. The Secretary may, in the event of illness or injury requiring hospitalization of an officer or employee of the Service who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

TRANSPORTATION TO APPROVED HOSPITALS

SEC. 942. (a) The Secretary may, in the event of illness or injury requiring the hospitalization of an officer or employee of the Service who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U. S. C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Secretary may also pay the travel expenses of an attendant.

(b) The Secretary may establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station.

PHYSICAL EXAMINATIONS AND COSTS OF INOCULATIONS

SEC. 943. The Secretary shall, under such regulations as he may prescribe, provide for the periodic physical examination of officers and employees of the Service who are citizens of the United States, including examinations necessary to establish disability or incapacity in accordance with the provisions of section 831, and for the cost of administering inoculations or vaccinations to such officers or employees.

TITLE X—MISCELLANEOUS

PART A—PROHIBITIONS

AGAINST UNIFORMS

SEC. 1001. An officer or employee of the Service holding a position of responsibility in the Service shall not wear any uniform except such as may be authorized by law or such as a military commander may require civilians to wear in a theater of military operations.

AGAINST ACCEPTING PRESENTS

SEC. 1002. An officer or employee of the Service shall not ask or, without the consent of the Congress, receive, for himself or any other person, any present, emolument, pecuniary favor, office, or title from any foreign government. A chief of mission or other principal officer may, however, under such regulations as the President may prescribe, accept gifts made to the United States or to any political subdivision thereof by the government to which he is accredited or from which he holds an exequatur.

AGAINST ENGAGING IN BUSINESS ABROAD

SEC. 1003. An officer or employee of the Service shall not, while holding office, transact or be interested in any business or engage for profit in any profession in the country or countries to which he is assigned abroad in his own name or in the name or through the agency of any other person, except as authorized by the Secretary.

AGAINST CORRESPONDENCE ON AFFAIRS OF FOREIGN GOVERNMENTS

SEC. 1004. (a) An officer or employee of the Service shall not correspond in regard to the public affairs of any foreign government except with the proper officers of the United States, except as authorized by the Secretary.

(b) An officer or employee of the Service shall not recommend any person for employment in any position of trust or profit under the government of the country to which he is detailed or assigned, except as authorized by the Secretary.

AGAINST POLITICAL, RACIAL, RELIGIOUS, OR COLOR DISCRIMINATION

SEC. 1005. In carrying out the provisions of this Act, no political test shall be required and none shall be taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

PART B—BONDS

SEC. 1011. Every secretary, consul general, consul, vice consul, Foreign Service officer, and Foreign Service Reserve officer, and, if required, any other officer or employee of the Service or of the Department before he enters upon the duties of his office shall give to the United States a bond in such form and in such penal sum as the Secretary shall prescribe, with such sureties as the Secretary shall approve, conditioned without division of penalty for the true and faithful performance of his duties, including (but not by way of limitation) certifying vouchers for payment, accounting for, paying over, and delivering up of all fees, moneys, goods, effects, books, records, papers, and other property that shall come to his hands or to the hands of any other person to his use as such officer or employee under any law now or hereafter enacted and for the true and faithful performance of all other duties now or hereafter lawfully imposed upon him as such officer or employee, and such bond shall be construed to be conditioned for the true and faithful performance of all official duties of whatever character now or hereafter lawfully imposed upon him, or by him assumed incident to his employment as an officer or employee of the Government. Notwithstanding any other provisions of law, upon approval of any bond given pursuant to this Act, the principal shall not be required to give another separate bond conditioned for the true and faithful performance of only a part of the duties for which the bond given pursuant to this Act is conditioned. The bond of an officer or employee of the Service shall be construed to be conditioned for the true and faithful performance of all acts of such officer incident to his office regardless of whether appointed or commissioned as diplomatic, consular, Foreign Service officer, or other officer of the Service. The bonds herein mentioned shall be deposited with the Secretary of the Treasury. Nothing herein contained shall be deemed to obviate the necessity of furnishing any bond which may be required pursuant to the provisions of the Subsistence Expense Act of 1926, as amended (44 Stat. 688; 47 Stat. 405; 56 Stat. 39; 5 U. S. C. 821-823, 827-833).

PART C—GIFTS

SEC. 1021. (a) The Secretary may accept on behalf of the United States gifts made unconditionally by will or otherwise for the benefit of the Service or for the carrying out of any of its functions. Conditional gifts may be so accepted if recommended by the Director General, and the principal of and income from any such conditional gift shall be held, invested, reinvested, and used in accordance with its conditions, but no gift shall be accepted which is conditioned upon any expenditure not to be met therefrom or from the income thereof unless such expenditure has been approved by Act of Congress.

(b) Any unconditional gift of money accepted pursuant to the authority granted in paragraph (a) of this section, the net proceeds from the liquidation (pursuant to paragraph (c) or paragraph (d) of this section) of any other property so accepted, and the proceeds of insurance on any such gift property not used for its restoration,

shall be deposited in the Treasury of the United States and are hereby appropriated and shall be held in trust by the Secretary of the Treasury for the benefit of the Service, and he may invest and reinvest such funds in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. Such gifts and the income from such investments shall be available for expenditure in the operation of the Service and the performance of its functions, subject to the same examination and audit as is provided for appropriations made for the Service by Congress.

(c) The evidences of any unconditional gift of intangible personal property, other than money, accepted pursuant to the authority granted in paragraph (a) of this section, shall be deposited with the Secretary of the Treasury and he, in his discretion, may hold them, or liquidate them except that they shall be liquidated upon the request of the Secretary whenever necessary to meet payments required in the operation of the Service or the performance of its functions. The proceeds and income from any such property held by the Secretary of the Treasury shall be available for expenditure as is provided in paragraph (b) of this section.

(d) The Secretary shall hold any real property or any tangible personal property accepted unconditionally pursuant to the authority granted in paragraph (a) of this section and he shall permit such property to be used for the operation of the Service and the performance of its functions or he may lease or hire such property, and may insure such property, and deposit the income thereof with the Secretary of the Treasury to be available for expenditure as provided in paragraph (b) of this section. The income from any such real property or tangible personal property shall be available for expenditure in the discretion of the Secretary for the maintenance, preservation, or repair and insurance of such property and any proceeds from insurance may be used to restore the property insured. Any such property when not required for the operation of the Service or the performance of its functions may be liquidated by the Secretary, and the proceeds thereof deposited with the Secretary of the Treasury, whenever in his judgment the purposes of the gifts will be served thereby.

(e) For the purpose of Federal income, estate, and gift taxes, any gift, devise, or bequest accepted by the Secretary under authority of this Act shall be deemed to be a gift, devise, or bequest to or for the use of the United States.

PART D—AUTHORIZATION TO RETAIN ATTORNEYS

SEC. 1031. The Secretary may, without regard to sections 189 and 365 of the Revised Statutes (5 U. S. C. 49 and 314), authorize a principal officer to procure legal services whenever such services are required for the protection of the interests of the Government or to enable an officer or employee of the Service to carry on his work efficiently.

PART E—DELEGATION OF AUTHORITY

SEC. 1041. (a) The Secretary may delegate to officers or employees holding positions of responsibility in the Department or the Service

or to such boards as he may continue or establish any of the powers conferred upon him by this Act to the extent that he finds such delegation to be in the interests of the efficient administration of the Service.

(b) The Director General may delegate to officers or employees holding positions of responsibility in the Department or the Service any of the powers conferred upon him by this Act to the extent that he finds such delegation to be in the interests of the efficient administration of the Service.

PART F—EXEMPTION FROM TAXATION

SEC. 1051. Section 116 of the Internal Revenue Code, as amended (53 Stat. 48; 53 Stat. 575; 56 Stat. 842; 58 Stat. 46; 26 U. S. C. 116), relative to exclusions from gross income, is further amended by adding at the end thereof a new subsection to read as follows:

“(k) In the case of an officer or employee of the Foreign Service of the United States, amounts received by such officer or employee as allowances or otherwise under the terms of title IX of the Foreign Service Act of 1946.”

PART G—INTERPRETATION OF THE ACT

LIBERAL-CONSTRUCTION CLAUSE

SEC. 1061. The provisions of this Act shall be construed liberally in order to effectuate its purpose.

PROVISIONS THAT MAY BE HELD INVALID

SEC. 1062. If any provision of this Act or the application of any such provision to any person or circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

HEADINGS OF TITLES, PARTS, AND SECTIONS

SEC. 1063. The headings descriptive of the various titles, parts, and sections of this Act are inserted for convenience only, and, in case of any conflict between any such heading and the substance of the title, part, or section to which it relates, the heading shall be disregarded.

PROVISIONS OF THE ACT OF JULY 3, 1946

SEC. 1064. Nothing in this Act shall be construed to affect the provisions of sections 1, 2, 3, and 4 of the Act of July 3, 1946 (Public Law 488, Seventy-ninth Congress). The “classified grades” within the meaning of that Act shall, from and after the effective date of this Act, be construed to mean classes 1 to 5, inclusive.

PART H—AUTHORIZATION FOR APPROPRIATIONS

SEC. 1071. Appropriations to carry out the purposes of this Act are hereby authorized.

TITLE XI—TEMPORARY PROVISIONS

PART A—TEMPORARY PROVISIONS CONCERNING APPOINTMENTS AND SALARIES OF OFFICERS AND EMPLOYEES OF THE SERVICE

REINSTATEMENT OF CHIEFS OF MISSION WHO ARE FORMER FOREIGN SERVICE OFFICERS

SEC. 1101. Any person who on the effective date of this Act is a chief of mission and who has previously been a Foreign Service officer may be reinstated as a Foreign Service officer in the class of career minister.

TRANSFER OF FOREIGN SERVICE OFFICERS FROM OLD CLASSES TO NEW CLASSES

SEC. 1102. (a) Foreign Service officers on active service on the effective date of this Act shall, by virtue of this Act, be transferred from the classes in which they are serving on such date to the new classes established by this Act as follows: Officers of class I to the new class 1; officers of class II to the new class 2; officers of classes III and IV to the new class 3; officers of classes V and VI, to the new class 4; officers of classes VII and VIII, to the new class 5; officers in the unclassified grade, to the new class 6.

(b) Each officer so transferred shall under such regulations as the Secretary may prescribe receive that salary in the new class which shall as nearly as possible correspond to his relative standing in the Service.

(c) Whenever, in accordance with the provisions of paragraph (a) of this section, the officers in a new class shall be officers who previously served in two former classes that were combined to form the new class, the period of minimum service in class for the purposes of determining eligibility for promotion in accordance with the provisions of section 622, shall commence to run from the date of their promotion to the lower of the two classes from which the new class is composed and from the date of their promotion to the higher of the two classes from which the new class is composed for the purposes of computing the minimum period an officer shall serve in a class before the commencement of the period during which he must obtain a promotion in order to prevent being retired. In all other cases, service in a former class shall be considered as constituting service in the new class for the purposes of section 622.

TRANSFER OF OTHER OFFICERS AND EMPLOYEES OF THE SERVICE FROM THEIR PRESENT POSITIONS TO NEW POSITIONS

SEC. 1103. The Secretary shall, under such regulations as he may prescribe, provide for the transfer of the personnel of the Service, other than persons occupying positions which under the terms of this Act constitute them chiefs of mission and Foreign Service officers, to corresponding positions established by the terms of this Act or by any regulations issued pursuant thereto.

IN-CLASS PROMOTIONS

SEC. 1104. In making transfers of personnel in accordance with the provisions of sections 1102 and 1103, credit for time served in a

previous class or position shall be given for the purpose of determining eligibility for in-class promotions in a new class in the same manner as if such time had been served in the new class.

RULES GOVERNING THE MAKING OF SALARY DETERMINATIONS IN CARRYING OUT AN INITIAL CLASSIFICATION OF THE SERVICE

SEC. 1105. In making the initial classification of the Service for Foreign Service staff officers and employees in accordance with the provisions of sections 441 and 442, the following rules shall apply:

(1) The principle of equal compensation for equal work, irrespective of sex, shall be followed.

(2) If an officer or employee is receiving basic salary at less than the minimum rate of the class or subclass to which the position he holds is allocated, his salary shall be increased to the lowest basic salary of that class or subclass.

(3) If an officer or employee is receiving a basic salary within the range provided for the class or subclass to which the position he holds is allocated, and at one of the rates within that range, no change shall be made in his basic salary; if his basic salary rate is within the range but does not correspond to any one of the rates prescribed for that range by section 415, his salary shall be adjusted by fixing it at the next higher rate above the rate which he is receiving.

(4) If an officer or employee is receiving basic salary at a rate in excess of the maximum basic salary rate provided by section 415 for the class or subclass to which the position he holds is allocated in accordance with the provisions of section 1103, he shall not suffer a diminution in salary as a consequence of the classification of the position which he holds so long as he continues to occupy that position, but if he is not receiving salary at one of the rates prescribed in section 415, his salary shall be adjusted by fixing it at the next higher rate above the rate which he is receiving.

PART B—TEMPORARY PROVISIONS CONCERNING RETIREMENT

MANDATORY RETIREMENT

SEC. 1111. (a) Notwithstanding the provisions of section 632 regarding the retirement of Foreign Service officers at the age of sixty years, Foreign Service officers below the class of career minister shall, during the first year after the effective date of this Act, be mandatorily retired for age upon reaching the age of sixty-four unless their services have been extended in accordance with the provisions of section 632; during the second year, at age sixty-three; during the third year, at age sixty-two; during the fourth year, at age sixty-one; and, thereafter, at age sixty, but in no event shall any Foreign Service officer be mandatorily retired for age during such four-year period until he has had fifteen years of service.

(b) No Foreign Service officer shall be mandatorily retired in accordance with provisions of section 633 or 634 until three years after the effective date of this Act.

RATE OF ANNUITIES TO BE RECOMPUTED

SEC. 1112. The Secretary shall cause annuities of all persons who are receiving annuities from the Foreign Service Retirement and Dis-

ability Fund on the effective date of this Act to be recomputed in accordance with the provisions of section 821 (a) and annuities payable to such persons shall, commencing on the effective date of this Act, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this Act shall operate to reduce the rate of the annuity received by any such person unless such person voluntarily elects to receive a reduced annuity as provided in section 821 (c).

PART C—MISCELLANEOUS TEMPORARY PROVISIONS

BONDS

SEC. 1121. The provisions of this Act shall not operate to impair the validity of any existing bond furnished by any officer or employee of the Service.

USE OF APPROPRIATIONS

SEC. 1122. Funds appropriated to the Department of State for the fiscal year 1947, under the caption "Foreign Service", are hereby made available for the purposes of this Act in accordance with authority granted herein and such regulations as the Secretary may prescribe. The appropriation of such additional funds as may be required to carry out the provisions of this Act is hereby authorized.

PART D—REPEAL CLAUSES

REPEAL OF PARTICULAR STATUTES

SEC. 1131. The following statutes or parts of statutes are hereby repealed:

(1) Section 208 of the Revised Statutes, as amended by the Act of May 29, 1928 (ch. 901, Public Law Numbered 611, 45 Stat. 987) (5 U. S. C. 163).

(2) Section 1674 of the Revised Statutes, as amended by section 6 of the Act of February 5, 1915 (ch. 23, Public Law Numbered 242, 38 Stat. 806), and as further amended by the Act of March 3, 1875 (ch. 153, 18 Stat. 483), and by that part of the Act of July 1, 1916 (ch. 208, Public Law Numbered 131, 39 Stat. 252), which constitutes the second proviso under the heading "Salaries of Secretaries in the Diplomatic Service" (22 U. S. C. 40 and 51).

(3) Section 1675 of the Revised Statutes as amended by the Act of March 3, 1875 (ch. 153, 18 Stat. 483), and by that part of title I of the Act of February 27, 1925 (ch. 364, Public Law Numbered 502, 43 Stat. 1015), under the heading "Diplomatic and Consular Service" and the subheading "Ambassadors and Ministers" (22 U. S. C. 32).

(4) Section 1685 of the Revised Statutes as amended by schedule A of the Act of March 2, 1909 (ch. 235, Public Law Numbered 292, 35 Stat. 673), and as further amended by section 3 of the Act of February 5, 1915 (ch. 23, Public Law Numbered 242, 38 Stat. 805), section 17 of the Act of May 24, 1924 (ch. 182, Public Law Numbered 135, 43 Stat. 143), hereinafter referred to as the Act of May 24, 1924, and by that part of title I of the Act of February 27, 1925 (ch. 364, Public Law Numbered 502, 43 Stat. 1016), which reads as follows: "Provided, That after June 30, 1924, vice consuls while in charge of a consulate general or consulate during the absence of the principal officer shall be

entitled to additional compensation in the same manner and under the same conditions as Foreign Service officers as provided in section 17 of the Act of May 24, 1924," renumbered as section 25 and further amended by section 7 of the Act of February 23, 1931 (ch. 276, Public Law Numbered 715, 46 Stat. 1210), hereinafter referred to as the Act of February 23, 1931 (22 U. S. C. 20).

(5) Section 1686 of the Revised Statutes (22 U. S. C. 36).

(6) Section 1688 of the Revised Statutes (22 U. S. C. 39).

(7) Section 1695 of the Revised Statutes and section 3 of the Act of April 5, 1906 (ch. 1366, Public Law Numbered 83, 34 Stat. 100), which reenacted certain parts of section 1695 of the Revised Statutes without specifically amending such section (22 U. S. C. 51a and 55).

(8) Section 1696 of the Revised Statutes (22 U. S. C. 58).

(9) Section 1712 of the Revised Statutes, as amended by the Act of June 18, 1888 (ch. 393, 25 Stat. 186) (22 U. S. C. 80).

(10) Section 1713 of the Revised Statutes, as amended by the Act of June 18, 1888 (ch. 393, 25 Stat. 186) (22 U. S. C. 82).

(11) Section 1714 of the Revised Statutes (22 U. S. C. 71).

(12) Section 1738 of the Revised Statutes (22 U. S. C. 105).

(13) Section 1740 of the Revised Statutes (22 U. S. C. 121).

(14) Section 1743 of the Revised Statutes (22 U. S. C. 125).

(15) Section 1744 of the Revised Statutes (22 U. S. C. 33).

(16) Section 1748 of the Revised Statutes (22 U. S. C. 129).

(17) Section 1749 of the Revised Statutes (22 U. S. C. 130).

(18) Section 1752 of the Revised Statutes (22 U. S. C. 132).

(19) That part of section 1 of the Act of June 11, 1874 (ch. 275, 18 Stat. 67), which reads as follows: "And the Secretary of State is authorized to allow and pay to the secretary of legation and to the second secretary of legation and to the messenger of the legation in Paris, from the moneys collected at the legation for the transmission of consular invoices, an amount not to exceed in the aggregate six hundred dollars in any one year, to be divided and distributed as the Secretary of State may direct, provided that the surplus receipts are sufficient for that purpose" (22 U. S. C. 37).

(20) Section 4 of the Act of June 11, 1874 (ch. 275, 18 Stat. 70) (22 U. S. C. 122).

(21) The Act of June 17, 1874 (ch. 294, 18 Stat. 77) (22 U. S. C. 124 and 126).

(22) That part of the Act of January 27, 1879 (ch. 28, 20 Stat. 273), which reads as follows: "And it shall be the duty of consuls to make to the Secretary of State a quarterly statement of exports from, and imports to, the different places to which they are accredited, giving, as near as may be, the market price of the various articles of exports and imports, the duty and port charges, if any, on articles imported and exported, together with such general information as they may be able to obtain as to how, where, and through what channels a market may be opened for American products and manufactures. In addition to the duties now imposed by law, it shall be the duty of consuls and commercial agents of the United States, annually, to procure and transmit to the Department of State, as far as practicable, information respecting the rate of wages paid for skilled and unskilled labor within their respective jurisdictions." (22 U. S. C. 81.)

(23) That part of section 5 of the Act of February 14, 1903 (ch. 552, Public Law Numbered 87, 32 Stat. 827), reading as follows: "And all consular officers of the United States, including consuls-general, consuls, and commercial agents, are hereby required, and it is made a part of their duty, under the direction of the Secretary of State, to gather and compile, from time to time, useful and material information and statistics in respect to the subjects enumerated in section 3 of this Act in the countries and places to which such consular officers are accredited, and to send under the direction of the Secretary of State, reports as required by the Secretary of Commerce and Labor of the information and statistics thus gathered and compiled, such reports to be transmitted through the Department of State to the Secretary of the Department of Commerce and Labor," as amended by section 3 of the Act of April 5, 1906 (ch. 1366, Public Law Numbered 83, 34 Stat. 100); by the Act of August 23, 1912 (ch. 350, Public Law Numbered 299, 37 Stat. 407), and by the Act of March 4, 1913 (ch. 141, Public Law Numbered 426, 37 Stat. 736) (15 U. S. C. 175).

(24) Section 11 of the Act of February 14, 1903 (ch. 552, Public Law Numbered 87, 32 Stat. 830) (5 U. S. C. 162).

(25) Section 4 of the Act of April 5, 1906 (ch. 1366, Public Law Numbered 83, 34 Stat. 100), as amended by section 10 of the Act of May 24, 1924 (43 Stat. 142), and renumbered as section 17 and further amended by section 7 of the Act of February 23, 1931 (46 Stat. 1209) (22 U. S. C. 9).

(26) That part of section 8 of the Act of April 5, 1906 (ch. 1366, Public Law Numbered 83, 34 Stat. 101), reading as follows: "but this shall not apply to consular agents, who shall be paid by one-half of the fees received in their offices, up to a maximum sum of one thousand dollars in any one year, the other half being accounted for and paid into the Treasury of the United States" (22 U. S. C. 99).

(27) That part of schedule A of the Act of March 2, 1909 (ch. 235, Public Law Numbered 292; 35 Stat. 672), which reads as follows: "And hereafter no new ambassadorship shall be created unless the same shall be provided for by Act of Congress." (22 U. S. C. 31.)

(28) Section 7 of the Act of February 5, 1915 (ch. 23, Public Law Numbered 242, 38 Stat. 807), as amended by section 12 of the Act of May 3, 1945 (ch. 105, Public Law Numbered 48; 59 Stat. 105, hereinafter referred to as the Act of May 3, 1945 (22 U. S. C. 38)).

(29) That part of the Act of July 1, 1916, which, under the heading "Salaries of Secretaries in the Diplomatic Service," authorizes the President to designate and assign any secretary of class one as counselor of embassy or legation (39 Stat. 252), as amended by section 16 of the Act of May 24, 1924 (43 Stat. 143), and renumbered as section 23 by section 7 of the Act of February 23, 1931 (46 Stat. 1210) (22 U. S. C. 18).

(30) The joint resolution of September 29, 1919 (ch. 72, Public Resolution Numbered 16, 41 Stat. 291) (22 U. S. C. 34).

(31) That part of the Act of June 1, 1922 (ch. 204, Public Law Numbered 229, 42 Stat. 600), which under the heading "Diplomatic and Consular Service" and subheading "Ambassadors and Ministers" in title I authorizes the appointment of an envoy extraordinary and minister plenipotentiary to Egypt (22 U. S. C. 34c).

(32) Section 1 of the Act of May 24, 1924 (43 Stat. 140), renumbered as section 8 by section 7 of the Act of February 23, 1931 (46 Stat. 1207) (22 U. S. C. 1).

(33) Section 2 of the Act of May 24, 1924 (43 Stat. 140), renumbered as section 9 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1207) (22 U. S. C. 2).

(34) Section 3 of the Act of May 24, 1924 (43 Stat. 140), renumbered as section 10 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1207), and as further amended by section 2 of the Act of April 24, 1939 (ch. 84, Public Law Numbered 40, 53 Stat. 583), and by sections 4 and 5 of the Act of May 3, 1945 (59 Stat. 102, 103) (22 U. S. C. 3).

(35) Section 4 of the Act of May 24, 1924 (43 Stat. 140), renumbered as section 11 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1215), and as further amended by the Act of June 29, 1935 (ch. 337, Public Law Numbered 181, 49 Stat. 436) (22 U. S. C. 4).

(36) Section 5 of the Act of May 24, 1924 (43 Stat. 141), renumbered as section 12 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1208) (22 U. S. C. 5 and 6).

(37) Section 6 of the Act of May 24, 1924 renumbered as sections 13 and 14, and amended by section 7 of the Act of February 23, 1931, and as further amended by section 6 of the Act of May 3, 1945 (59 Stat. 103) (22 U. S. C. 7).

(38) Section 9 of the Act of May 24, 1924 (43 Stat. 142), renumbered as section 16 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1208), and further amended by section 7 of the Act of May 3, 1945 (59 Stat. 103) (22 U. S. C. 11).

(39) Section 12 of the Act of May 24, 1924 (43 Stat. 142), renumbered as section 19 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1209), and further amended by section 8 of the Act of May 3, 1945 (59 Stat. 104) (22 U. S. C. 12).

(40) Section 13 of the Act of May 24, 1924 (43 Stat. 143), renumbered as section 20 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1209) (22 U. S. C. 14).

(41) Section 14 of the Act of May 24, 1924 (43 Stat. 143), renumbered as section 21 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1209), and further amended by section 9 of the Act of May 3, 1945 (59 Stat. 104) (22 U. S. C. 15 and 16).

(42) Section 15 of the Act of May 24, 1924 (43 Stat. 143), renumbered as section 22 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1210), and further amended by the Act of March 17, 1941 (ch. 20, Public Law Numbered 17, 55 Stat. 44) (22 U. S. C. 17 and 17a).

(43) Paragraph 1 of section 17 of the Act of May 24, 1924 (43 Stat. 143), renumbered as section 24 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1210) (22 U. S. C. 19).

(44) Section 18 of the Act of May 24, 1924 (43 Stat. 144), as amended by section 1 of the Act of July 3, 1926 (ch. 798, Public Law Numbered 519, 44 Stat. 902), renumbered as section 26 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1211), further amended by section 3 of the Act of April 24, 1939 (ch. 84, Public Law Numbered 40, 53 Stat. 584), by the Act of July 19, 1939

(ch. 330, Public Law Numbered 197, 53 Stat. 1067), by the Act of August 5, 1939 (ch. 441, Public Law Numbered 277, 53 Stat. 1208), by section 1 of the Act of April 20, 1940 (ch. 118, Public Law Numbered 464, 54 Stat. 143), by section 4 of the Act of October 14, 1940 (ch. 859, Public Law Numbered 846, 54 Stat. 1118), and by section 1 of the Act of May 13, 1941 (ch. 115, Public Law Numbered 69, 55 Stat. 189) (22 U. S. C. 21).

(45) Section 19 of the Act of May 24, 1924 (43 Stat. 146), renumbered as section 27 by section 7 of the Act of February 23, 1931 (46 Stat. 1213) (22 U. S. C. 22).

(46) Section 20 of the Act of May 24, 1924 (43 Stat. 146), renumbered as section 28 and amended by section 7 of the Act of February 23, 1931 (46 Stat. 1213) (22 U. S. C. 23).

(47) Section 31 of the Act of May 24, 1924, as added to that Act by section 7 of the Act of February 23, 1931 (46 Stat. 1214), and as amended by section 10 of the Act of May 3, 1945 (59 Stat. 105) (22 U. S. C. 23f and 23g).

(48) Section 32 of the Act of May 24, 1924, as added to that Act by section 7 of the Act of February 23, 1931 (46 Stat. 1214), and as amended by section 5 of the Act of July 3, 1946 (Public Law 488, Seventy-ninth Congress) (22 U. S. C. 23h).

(49) Section 33 of the Act of May 24, 1924, as added to that Act by section 7 of the Act of February 23, 1931 (46 Stat. 1215), and as amended by section 4 of the Act of April 24, 1939 (ch. 84, Public Law Numbered 40, 53 Stat. 588) (22 U. S. C. 3a and 23i).

(50) Section 34 of the Act of May 24, 1924, as added to that Act by section 7 of the Act of February 23, 1931 (46 Stat. 1216) (22 U. S. C. 23j).

(51) That part of the Act of February 27, 1925 (ch. 364, Public Law Numbered 502, 43 Stat. 1017), which under the heading "Diplomatic and Consular Service" and the subheading "Allowance for Clerk Hire at United States Consulates" reads as follows: "Clerks, whenever hereafter appointed, shall so far as possible, be appointed under civil-service rules and regulations", and similar provisions in later Acts (22 U. S. C. 56).

(52) That part of the Act of February 27, 1925 (ch. 364, Public Law Numbered 502, 43 Stat. 1016), which under the heading "Diplomatic Service" and the subheading "Clerks at Embassies and Legations", reads as follows: "who (clerks at the embassies and legations) whenever hereafter appointed shall be citizens of the United States * * * and so far as practicable shall be appointed under civil-service rules and regulations", and similar provisions in later Acts (22 U. S. C. 35).

(53) Section 2 of the Act of July 3, 1926 (ch. 798, Public Law Numbered 519, 44 Stat. 903) (22 U. S. C. 21a).

(54) Sections 1, 2, 3, 4, 5, and 7 of the Act of March 3, 1927 (ch. 365, Public Law Numbered 768, 44 Stat. 1394), as amended by the Act of April 12, 1930 (ch. 142, Public Law Numbered 122, 46 Stat. 163) (15 U. S. C. 197-197d and 197f).

(55) The Joint Resolution of January 22, 1930 (ch. 22, Public Resolution Numbered 32, 46 Stat. 57) (22 U. S. C. 34a).

(56) The Act of June 5, 1930 (ch. 399, Public Law Numbered 304, 46 Stat. 497-499) (7 U. S. C. 541-545).

(57) The Joint Resolution of June 5, 1930 (ch. 404, Public Resolution Numbered 81, 46 Stat. 502) (22 U. S. C. 34b).

(58) The Act of January 21, 1931 (ch. 42, Public Law Numbered 569, 46 Stat. 1040) (22 U. S. C. 32a).

(59) Section 1 of the Act of February 23, 1931 (46 Stat. 1207), as amended by section 2 of the Act of May 3, 1945 (59 Stat. 102) (22 U. S. C. 23a).

(60) Section 2 of the Act of February 23, 1931 (46 Stat. 1207) (22 U. S. C. 23b).

(61) Section 3 of the Act of February 23, 1931 (46 Stat. 1207), as amended by section 1 of the Act of April 24, 1939 (ch. 84, Public Law Numbered 40, 53 Stat. 583), and as further amended by section 3 of the Act of May 3, 1945 (59 Stat. 102) (22 U. S. C. 23c).

(62) Section 4 of the Act of February 23, 1931 (46 Stat. 1207) (22 U. S. C. 23d).

(63) Section 5 of the Act of February 23, 1931 (46 Stat. 1207) (22 U. S. C. 23e).

(64) That part of section 209 of the Act of June 30, 1932 (ch. 314, Public Law Numbered 212, 47 Stat. 405), as amended, which was added to that Act by the Act of April 30, 1940 (ch. 172, Public Law Numbered 499, 54 Stat. 174) (5 U. S. C. 823a).

(65) That part of Reorganization Plan Numbered II, made effective July 1, 1939, by the Act of June 7, 1939 (ch. 193, Public Resolution Numbered 20, 53 Stat. 813), designated as subparagraphs (a), (b), and (c) under section 1 of part 1 (53 Stat. 1431) (note under 5 U. S. C. 133t).

(66) Section 1 of the Act of May 3, 1945 (59 Stat. 102) (22 U. S. C. 1a).

(67) Section 12 of the Act of May 3, 1945 (59 Stat. 105) (22 U. S. C. 24).

GENERAL REPEAL OR AMENDMENT PROVISION

SEC. 1132. Any statute that is not repealed by section 1131 but which is inconsistent with any of the provisions of this Act shall be considered as having been amended or superseded by such provisions.

RIGHTS AND LIABILITIES UNDER STATUTES THAT ARE REPEALED

SEC. 1133. The repeal of the several statutes or parts of statutes accomplished by section 1131 shall not affect any act done or right accruing or accrued, or any suit or proceeding had or commenced in any civil cause, before such repeal, but all rights and liabilities under the statutes or parts thereof so repealed shall continue, and may be enforced in the same manner as if such repeal had not been made; subject, however, to the provisions of section 1134.

STATUTES PREVIOUSLY REPEALED BY IMPLICATION

SEC. 1134. The repeal of the several statutes or parts of statutes accomplished by section 1131 shall not be construed as a revival, up to the effective date of this Act, of any statute or part of a statute that may have previously been repealed by implication.

CONTINUANCE IN FORCE OF EXISTING RULES, REGULATIONS, AND
EXECUTIVE ORDERS

SEC. 1135. Notwithstanding the provisions of this Act, existing rules, regulations of or applicable to the Service, and Executive orders shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this Act, unless clearly inconsistent with the provisions of this Act.

PART E—EFFECTIVE DATE OF ACT

SEC. 1141. The effective date of this Act shall be three months following the date of its enactment.

Approved August 13, 1946.

GENERAL AUTHORITY

Section 6. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (1) Procure necessary services, supplies and equipment without regard to the provisions of Section 3709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;
- (2) Transfer to and receive from funds available to other departments or agencies of the Government such sums as may be authorized by the Director of the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law concerning transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;
- (3) Apply the provisions, in the Director's discretion and under such regulations as he may prescribe of Sections 901, 911-913, 931-933 and 935-943 of Public Law 724, 79th Congress, 2nd Session to employees assigned to permanent duty stations outside the continental United States;
- (4) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, and other departments and agencies are hereby authorized, without regard to provisions of

law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

(5) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);

(6) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(7) Notwithstanding the provisions of Section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 7. Appropriations: _____

(a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including

(b) Personal services and rent at the seat of Government and elsewhere; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles and aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.

(c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (A) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures ~~shall be made~~ solely on the certificate of the Director and

Draft of 9 April 1947.

**A BILL FOR THE ESTABLISHMENT OF A
CENTRAL INTELLIGENCE AGENCY**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Sec. 1 (a) Findings and Declaration;-----

In enacting this legislation, it is the intent of Congress to provide a comprehensive and continuous program which will effectively accomplish the national intelligence objectives of the United States. In order to achieve these objectives, it is necessary to establish a permanent, centralized, intelligence agency so that all the foreign intelligence sources and facilities of the Government may be utilized to the fullest extent in the production of foreign intelligence, and so that their greatest potentialities may be realized most efficiently and economically, with a resultant elimination of unproductive duplication and unnecessary overlapping of functions.

Accordingly, it is hereby declared to be the policy of the people of the United States that in order to strengthen the hand of the Government in formulating national policies and conducting relations with other nations, and subject at all times to the paramount objectives of assuring the common defense and security, the foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this Act, be operated centrally for the accomplishment of the national intelligence objectives of the United States.)

ORGANIZATION

Sec. 2 (a). National Security Council.

(1) The National Security Council shall:

(a) Determine policies and objectives for, and supervise and direct, the Central Intelligence Agency, hereinafter provided for, in the planning, development and coordination of the foreign intelligence activities of the departments and agencies of the Government, as well as in the conduct of those foreign intelligence operations performed by the Central Intelligence Agency, in such a manner as to assure the most effective accomplishment of the national intelligence objectives.

Review
(b) Have the right to transfer responsibilities and authorities in the field of foreign intelligence between the departments and agencies of the Government.

(c) Approve such policies which, in relation to the foreign intelligence activities of the United States, insofar as they affect the national defense and security, shall govern the intelligence activities of the various departments and agencies of the Government.

Sec. 2 (b). Central Intelligence Agency.

(1) There is hereby established a Central Intelligence Agency (hereinafter called the Agency), with a Director of Central Intelligence who shall be the head thereof, to be appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$15,000 per annum.

(2) There shall be a Deputy Director of the Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate of \$14,000 per annum. The Deputy Director shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director of Central Intelligence, and to act as the Director in the absence of that officer, or in the case of a vacancy in the office of Director.

(3) Any officer of the Department of State, or of the Foreign Service of the United States, and any commissioned officer of the United States Army, ^{marine bn!} ~~the United States~~ Navy, ~~the United States~~ Air Force, Coast Guard, Coast and Geodetic Survey, or Public Health Service, may be assigned to or detailed for duty with the Agency; and such service shall in no way affect any status, office, rank, or grade he may occupy or hold in the Department of State, the Foreign Service of the United States, the United States Army, ^{marine bn!} ~~the United States~~ Navy, ~~the United States~~ Air Force, Coast Guard, Coast and Geodetic Survey, or Public Health Service, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any status, office, rank, or grade, notwithstanding the provisions of Title 10 U.S. Code, Sec. 576 ^{the Foreign} and Public Law 724, 79th Congress, approved August 13, 1946, and entitled, ^{Service Act, 1946} "An act to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating

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to its administration,] or any other law pertaining to such pay and allowances. Any such officer of the Department of State, the Foreign Service of the United States, or commissioned officer on the active list in any of the above-mentioned services, shall receive, while serving ^{as U. S. Deputy Director} ~~this~~ position established in Sec. 2(b) of this Act,] the pay of the State Department, the Foreign Service, or the military or other pay and allowances payable to an officer of his grade and length of service, and shall be paid, ^{in addition} from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the difference between the salary set forth ^{for such position} [in such position] in Sec. 2(b) of this Act and the amount of such State Department, Foreign Service, or military or other pay and allowances.

(4) Notwithstanding Section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U.S.C. 62), or Section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended (5 U.S.C. 58, 59), or Section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended (5 U.S.C. 59a), the Director of Central Intelligence may appoint to, and employ in any civilian office or position in the Agency, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Air Force, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed, and any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Agency or the receipt of the pay thereof.

FUNCTIONS

Section 3. Functions of the Central Intelligence Agency.

(a) In order to assure the most effective accomplishment of the national intelligence mission of the United States, the Agency shall, under the supervision and direction of the Council:

- (1) Develop and recommend to the Council establishment of over-all policies, plans, requirements, objectives and procedures, including training in matters connected with national intelligence, to assure the most effective accomplishment of the national intelligence objectives and to implement the provisions of this Act;
- (2) Coordinate such of the foreign intelligence activities of the departments and agencies of the Government as relate to the national defense and security;
- (3) Give timely evaluation, correlation and interpretation to foreign intelligence information;
- (4) Disseminate national intelligence to the President, the Council, and appropriate departments and agencies of the Government.
- (5) Perform by any and all means deemed effective such foreign intelligence services of common concern as the Council determines can best be performed, or be more efficiently or economically accomplished, by the Agency;
- (6) Be responsible for taking measures to protect sources and methods used in the collection and dissemination of foreign intelligence information received by the Agency;
- (7) Perform such other functions and duties relating to national intelligence as the President or the Council may direct;
- (b) The responsibility and authority of the departments and agencies of the Government to collect, evaluate, correlate, interpret and disseminate departmental intelligence shall not be affected, except to the extent that the Council may relieve them of such responsibility and authority pursuant to the provisions of Sec. 2(a) of this Act.

*Re-write
assignment
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(c) As required in the carrying out of the provisions of this Act, there will be made immediately available on a continuing basis to the Agency all intelligence, information, and such facilities as may be necessary, in the possession of the various departments and agencies of the Government.

(d) To the extent recommended by the Council, the intelligence operations of the departments and agencies of the Government shall be open to inspection by the Agency in connection with its planning functions.

(e) The Agency shall have no police, subpoena, or law enforcement powers or functions, nor shall it have any functions concerning the internal security of the United States, except as specifically authorized by Sec. 3(a)(6) of this Act.

GENERAL AUTHORITY

Section 4. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (1) Procure necessary services, supplies and equipment without regard to the provisions of Section 5709, Revised Statutes (41 U.S.C. 5), as amended, upon certification by the Director, or an official designated by him for that purpose, that such action is necessary in the interest of the common defense and security or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purpose;
- (2) Transfer to and receive from ^[funds available to] other departments or agencies of the Government such sums as may be authorized by the Director or the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized in this Act, and any other department or agency of the Government is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law ^{concerning} ~~concerning~~ transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of other appropriations;
- (3) Apply the provisions, ^[in the Director's discretion and under such regulations as he may prescribe] of Sections 901, 911-913, 921-923 and 935-943 of Public Law 724, 79th Congress, 2nd Session, to employees assigned to permanent duty stations outside the continental United States;
- (4) Reimburse other Government departments and agencies for services of personnel assigned to the Agency, ^{including pay and allowances of military or naval personnel} and other departments and agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

- (5) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);
- (6) Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security; and
- (7) Notwithstanding the provisions of section 6 of the Act of August 24, 1913 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his absolute discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

APPROPRIATIONS

Section 5. Appropriations:----

- (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including
- (b) Personnel services and rent at the seat of Government and elsewhere; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in ^{domestic} dispatch of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles and aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms.
- (c) The Acts appropriating such sums may appropriate specified portions thereof which may be expended, (A) without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service; (B) for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

Section 6. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

Section 7. This Act may be cited as "The Central Intelligence Agency Act of 1947."

DRAFT

5 February 1948

A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SECTION 1. That when used in this Act, the term

- (1) "Agency" means the Central Intelligence Agency;
- (2) "Director" means the Director of Central Intelligence;
- (3) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the government; and
- (4) "Continental United States" means the States and the District of Columbia.

Sec. (2). The Director of Central Intelligence shall cause a seal of office to be made for the Central Intelligence Agency, of such design as the President shall approve, and judicial notice shall be taken thereof.

(). Except as authorized by the Director in case of emergency, no individual shall be assigned to or employed for departmental duty by the Agency until the Federal Bureau of Investigation shall have made investigation and report to the Agency on the character, associations and loyalty of such individual.

~~GENERAL AUTHORITY~~

General Authority

SECTION ¹⁴. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (~~1~~) Apply the provisions of Sections 2(c) (1), (2), (3), (4), (5), (6), (10), (12), (15), (17), 3, 4, 5, 6 and 10 of the Armed Services Procurement Act of 1946 (presently H.R. 1366). In applying these sections of the Armed Services Procurement Act of 1948 to the Agency, the term "agency head" shall mean the Director, the Deputy Director, or the Executive Director of the Agency.

(5). In the event of the death of a person utilized or employed by the Agency, when the Director shall certify that death occurred in connection with the performance of extra-hazardous assigned duty, there shall be paid out of funds available to the Agency, to the wife, or, if no wife, to the dependent children, or, if no wife or dependent children, to the dependent parents, of such deceased person, the sum of ten thousand dollars (\$10,000) over and above all other death benefits, compensation, or other payments provided for by law; provided that for the purposes of this section, children under eighteen (18) years of age shall be considered dependent children.

Sec. (6). a. The Director is authorized to grant to any employee of the Agency a leave of absence with pay from his regularly designated duties for the purpose of allowing such employee to carry on research or study at or with domestic or foreign public or private institutions, trade, labor, agricultural, or scientific associations, or commercial firms, and to contract with such organizations to provide such research or study.

b. Leaves of absence may be granted and contracts may be made under authority of this Act only for such research or study as, in the opinion of the Director, will materially contribute to the more effective functioning of the Agency through specialized training and/or the acquisition of knowledge not otherwise available to the Government.

c. The tuition and other actual incidental academic expenses of any employee enrolled in any organization for training pursuant to this Act shall be paid from funds available to the Agency, and the expenses of transportation of said employees to and from the school selected for such training shall be paid from funds available for travel expenses in accordance with Government travel regulations.

d. Any employee, while absent on leave granted pursuant to this Act, shall be subject to the rules and

regulations applicable to other employees of his agency insofar as receipt of salary or compensation from other sources than the Government of the United States is concerned.

e. Any leave of absence granted under the provision of this Act shall be granted without loss of salary or compensation to the employee and shall not be deducted from any leave of absence with pay authorized by any other law. Any such employee shall make a definite statement, in writing, that he will return to and, unless involuntarily separated, will thereafter remain in the service of the Agency for a period of two years if the period of research or study for which he is granted such leave of absence does not exceed six months, or for a period of three years if such period of research or study exceeds six months. Any employee who voluntarily or through his own misconduct fails to fulfill any such commitment shall be required to reimburse the Government for any expenses, over and above salary payments to the employee, incurred by the Government in providing such research or study.

(d). *for agency may* ~~The Director may~~, under such regulations as ~~he~~ *Director* shall prescribe, pay --

(1) the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section ___ with regard to the granting of home leave;

(2) the travel expenses of the members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) the cost of transporting ~~the~~ *the* furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to the place where he will reside; [redacted]

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(4) the cost of storing the ~~(furniture and~~ *furniture and* household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture

and household and personal effects;

(5) the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;

cut { (6) the travel expenses of the members of the family and the cost of transporting the personal effects and automobile of an officer or employee of the Agency, whenever the travel of such officer or employee is occasioned by changes in the seat of the government whose capital is his post;

(7) the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency (and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

former homes in the continental United States or to a place not more distant, the remains of an officer or employee of the Agency who is a citizen of the United States and of the members of his family who may die abroad or while in travel status.

See section (1) (a) partial duplication

(b.). In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency who is a citizen of the United States --

(1) allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) cost-of-living allowances, whenever the Director shall determine --

(1) that the cost of living at a post abroad is proportionately so high that an allowance

- 2 -

is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee of the Agency incident to the establishment of his residence at his post of assignment;

(iii) that an allowance is necessary to assist an officer or employee of the Agency who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment;

(3) allowances in order to provide for the proper representation of the United States by officers or employees of the Agency.

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under such regulations as may prescribe the Agency shall
(c). (a) The Director shall order to the continental United States on statutory leave of absence every officer and employee of the Agency who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(b) While in the continental United States on leave, the service of any officer or employee shall be available for such work or duties in the Agency or elsewhere as the Director may prescribe, but the time of such work or duties shall not be counted as leave.

(3). Where an officer or employee on leave returns to the continental United States, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the continental United States, and such time as may be necessarily occupied in awaiting sailing or flight.

*How much leave can be accumulated per year?
2.6 days*

See it.
Under such regulations as may be prescribed by the Agency
(d). The Director may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where he shall determine that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination.

(e). (1) The Director may, in the event of illness or injury requiring the hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant.

(2) (b) The Director may establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station.

(3). The Director may, in the event of illness or injury requiring hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

(4). The Director may, if he shall find it in the interests of the Government to do so as a means of eliminating transportation costs, provide officers and employees of the Agency with household equipment for use on a loan basis in personally owned or leased residences.

(a.) Transfer to and receive from other government agencies such sums as may be authorized by the Director of the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized under Sections 102 and 303 of the National Security Act of 1947 (Public Law 253, 80th Congress), and any other government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred.

(b). Exchange funds without regard to Section
3651 Revised Statutes (31 U.S.C. 543);

(c) Reimburse other government agencies for services of personnel assigned to the Agency, and such other government agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

(d)

(d). Authorize couriers designated by the Director to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(c) Make alterations, improvements and repairs on premises rented by the Agency and pay rent there-
fore without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended, provided that in each case the Director shall certify that exception from such limitations is necessary to the successful performance of the Agency's functions or to the security of its activities.

(f) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, 5 U.S.C.A. 62, as amended, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of any retired officer or warrant officer of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency or his retired pay, whichever he may elect.

(g)

~~SECTION~~ . The Agency shall be exempt from such portion of § 4, e. 265 of the Act of March 4, 1923, 5 U.S.C.A. 664, as amended, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

SECTION . In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of Section 102 (d)(3) of the National Security Act of 1947 (Public Law 253, 80th Congress, 1st Session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of §§ 1 and 2, c. 795 of the Act of 28 August 1935, 49 Stat. 956, 957, 5 U.S.C.A. 654, and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency;

PROVIDED, That nothing in this section shall be construed as preventing the disclosure of such information to the duly constituted Committees of the Congress, and

PROVIDED FURTHER, That in furtherance of this section, the Director of the Bureau of the Budget shall be exempted from making such reports to the Congress in connection with the Agency as are required by § 607, Title VI, c. 212 of the Act of 30 June 1945, 5 U.S.C.A. 947(b), as amended.

APPROPRIATIONS

SECTION 9 . Appropriations:

(1) Sums, made available to the Agency by appropriation or otherwise, may be expended as necessary to carry out the provisions of this Act, including:

(a) Personal services and rent at the seat of Government and elsewhere; ^{preparation and} transportation of the remains of officers and employees who die abroad or in transit, while in performance of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; penalty mail; health service program as authorized by law (5 U.S.C. 150); rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles and aircraft, and vessels of all kinds; ²¹ printing and binding; ²¹ purchase, maintenance, and cleaning of firearms; ²¹ subject to policies established by the Director, expenses of travel in connection with,

and expenses incident to attendance at meetings of professional, technical, scientific and other similar organizations when such attendance would be of benefit in the conduct of the work of the agency; ⁴¹ award, compromise or settlement of claims under the provisions of the Act of August 2, 1946 (60 Stat. 843, 28 U.S.C. 921); acquisition of land or interest in land, construction, installation, repair, rental, operation, and maintenance of buildings, utilities, facilities and appurtenances.

(2) Of the sums made available to the Agency such portions may be expended ⁵¹

(a) Without regard to the provisions of law and regulations relating to the expenditure of Government funds or to the employment of persons in the Government service; and

(b) For objects of a confidential ⁴¹ nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

SECTION 10. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SECTION 11. This Act may be cited as "The Central Intelligence Agency Act of 1948."

Legislative Liaison Officer

16 February 1948

Chief, Budget and Finance Branch

Proposed Legislation

There is attached the copy of the draft of proposed Enabling Legislation applicable to this Agency which was released to the undersigned for review and comment. It will be appreciated if you will return the attached copy of the draft to this office for our future reference after it has served your purpose.

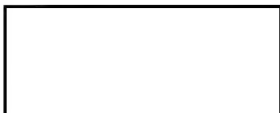
It will be noted that a number of suggested additions or changes have been inserted in the draft. In addition to such notations, it is desired to recommend that the following language be added in the appropriate portion of the draft as indicated:

1. Acceptance and utilization of voluntary and uncompensated services;
2. Purchase and distribution, free or otherwise, of special types of items as authorized by the Director;
3. Travel on foreign registered ships; losses by exchange
4. Association and library dues
5. Under the provisions of 2(a) and 2(b) in such amounts as approved by the Director of the Bureau of the Budget.
6. The Agency's personnel ceilings shall be currently established or approved by the Director of the Bureau of the Budget without regard to the provisions of any other law establishing annual total government personnel ceilings, and data with respect to the Agency approved ceiling shall not be released for any purpose without the joint approval of the Director of the Bureau of the Budget and the Director, Central Intelligence Agency.

There are a number of items which should be discussed further, however, it appears unnecessary to enumerate them in this memorandum since they concern themselves with several related subjects which are covered by various portions of the proposed legislation.

STAT

E. R. Saunders
Chief,
Budget and Finance Branch



Field news service

18 February 1948

MEMORANDUM TO MR. JOHN WARNER
MR. E. R. SAUNDERS, CHIEF BUDGET &
FINANCE BRANCH
[REDACTED] CHIEF SERVICES
BRANCH

SUBJECT: CIA Proposed Legislation

1. Attached herewith is the latest draft, dated 16 February 1948, of proposed CIA legislation. This draft incorporates certain suggestions which have been put forward in connection with this legislation, after consideration of the draft of 5 February.

2. Section 4 has been revised to the extent that sub-sections have been added to allow for the delegation of authority in questions of procurement wherever possible.

3. It will be noted, in connection with Section 6 on Education and Training, that ADSO objects vigorously to this section and such objection will be noted. At the present time, however, this section will continue to be included in the draft.

4. Some of the sub-sections of Section 7 have been renumbered, so that several of the sub-sections may be included under the over-all phrase, "Under such regulations as the Director may prescribe, the Agency shall. . ." Sub-sections 7(a)(6) concerning travel occasioned by changes in the seat of the government, and 7(a)(8) concerning the transportation of remains in the draft of 5 February have both been eliminated, as agreed upon, the former section as not needed and the latter as included in the appropriations language of Section 9.

5. In Section 7(b)(2) of the present draft the word "such" has been stricken from line 3 preceding the word "work", as agreed upon, and the phrase "as the Director may prescribe" has also been stricken as it appears in the beginning of Section 7. Section 7(e)(3) of the draft of 5 February, concerning allowance to provide for proper representation of the United States, has been stricken, as agreed. Section 7(f)

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of the draft of 5 February which provided officers and employees with household equipment on a loan basis, to which ADSO objected on the basis that it was not needed and hard to administer, has been eliminated, as agreed.

6. The general authority phrase, "In the performance of its functions, the Central Intelligence Agency is authorized to. . .", which formerly appeared at the head of Section 4, has now been transferred to the head of Section 8 "General Authorities". In connection with Section 8(e), to which ADSO objected in general on the ground that there was no need for the section, it has been felt that the primary need for the section is a need other than an SO one, particularly for action within the United States and therefore it is being retained for discussion.

7. Section 8(h) has been retained for discussion except that the original proviso that nothing in the section should be construed as preventing disclosure of information to Committees of the Congress has been stricken.

8. In Section 9(a)(1) the phrase "including employment of aliens" has been added in line 3 of the present draft, and the phrase "association and library dues" has been added in lines 32 and 33 of Section 9(a)(1) of the present draft, as suggested by the Budget and Finance Branch. In Section 9(b)(2) of the present draft, the phrase "extraordinary or emergency nature" has been added to the draft, as suggested by the Budget and Finance Branch, for purposes of discussion only, in order that a policy decision may be reached on this point.

9. In accordance with the memorandum to the undersigned from the Chief of Budget and Finance Branch, addressing comments to the draft of 5 February, it has been agreed as follows:

a) That present law sufficiently covers the acceptance and utilization of voluntary and uncompensated services so that nothing further need be added;

b) That purchase and distribution, free or otherwise, of special types of items as authorized by the Director is not advisable;

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c) That inclusion of provisions for travel on foreign registered ships and for the making up of losses by exchange, are also not advisable;

d) That provisions for association and library dues would be included in Section 9;

e) That further discussion, particularly with the Bureau of the Budget would be had to determine proper phraseology in connection with determinations as to the allocation of proportions of vouchered to unvouchered funds;

f) That the proposed draft of 5 February contained language sufficient to bring an exception to the necessity of the Director of the Bureau of the Budget to report Agency personnel ceilings to the Congress.


Walter L. Forzheimer
Legislative Liaison Officer

STAT

WLPforzheimer:blc

PROPOSED CIA LEGISLATION

DRAFT OF 16 February 1948

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DRAFT

16 February 1948

A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SECTION 1. That when used in this Act, the term

- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelligence;
- (c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the government; and
- (d) "Continental United States" means the States and the District of Columbia.

SEAL OF OFFICE

SECTION 2. The Director of Central Intelligence shall cause a seal of office to be made for the Central Intelligence Agency, of such design as the President shall approve, and judicial notice shall be taken thereof.

INVESTIGATION OF PERSONNEL

Exempt
SECTION 3. Except as authorized by the Director in case of emergency, no individual shall be assigned to or employed for departmental duty by the Agency until the Federal Bureau of Investigation shall have made investigation and report to the Agency on the character, associations and loyalty of such individual.

PROCUREMENT AUTHORITIES

SECTION 4. (a) In the performance of its functions the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c)(1), (2), (3), (4), (5), (6), (10), (12), (15), (17), and sections 3, 4, 5, 6 and 10 of the Armed Services Procurement Act of 1947, (Public Law 100, 80th Congress, 2nd Session).

(b) In the exercise of the authorities granted in sub-section (a) of this section, the term "Agency head" shall mean the Director, the Deputy Director, or the Executive Director of the Agency.

(c) The determinations and decisions provided in sub-section (a) of this section to be made by the Agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in sub-section (d) of this section, the Agency head is authorized to delegate his powers provided in this section, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer (or officers) or officials of the Agency.

(d) The power of the Agency head to make the determinations or decisions specified in paragraphs (12) and (15) of section 2(c) and section 5(a) of the Armed

Services Procurement Act of 1947 shall not be delegable. Each determination or decision required by paragraphs (12) and (15) of section 2(c), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making such determinations, which findings shall be final and shall be available within the Agency for a period of at least six (6) years following the date of the determination.

DEATH BENEFITS

cut
SECTION 5. In the event of the death of a person utilized or employed by the Agency, when the Director shall certify that death occurred in connection with the performance of extra-hazardous assigned duty, there shall be paid out of funds available to the Agency, to the wife, or, if no wife, to the dependent children, or, if no wife or dependent children, to the dependent parents, of such deceased person, the sum of ten thousand dollars (\$10,000) over and above all other death benefits, compensation, or other payments provided for by law; provided that for the purposes of this section, children under eighteen (18) years of age shall be considered dependent children.

to be revised

EDUCATION AND TRAINING

SECTION 6. (a) The Director is authorized to grant to any employee of the Agency a leave of absence with pay from his regularly designated duties for the purpose of allowing such employee to carry on research or study at or with domestic or foreign public or private institutions, trade, labor, agricultural, or scientific associations, or commercial firms, and to contract with such organizations to provide such research or study.

(b) Leaves of absence may be granted and contracts may be made under authority of this Act only for such research or study as, in the opinion of the Director, will materially contribute to the more effective functioning of the Agency through specialized training and/or the acquisition of knowledge not otherwise available to the Government.

(c) The tuition and other actual incidental academic expenses of any employee enrolled in any organization for training pursuant to this Act shall be paid from funds available to the Agency, and the expenses of transportation of said employees to and from the school selected for such training shall be paid from funds available for travel expenses in accordance with Government travel regulations.

(d) Any employee, while absent on leave granted pursuant to this Act, shall be subject to the rules and regulations applicable to other employees of his agency insofar as receipt of salary or compensation from other sources than the Government of the United States is concerned.

(e) Any leave of absence granted under the provision of this Act shall be granted without loss of salary or compensation to the employee and shall not be deducted from any leave of absence with pay authorized by any other law. Any such employee shall make a definite statement, in writing, that he will return to and, unless involuntarily separated, will thereafter remain in the service of the Agency for a period of two years if the period of research or study for which he is granted such leave of absence does not exceed six months, or for a period of three years if such period of research or study exceeds six months. Any employee who voluntarily or through his own misconduct fails to fulfill any such commitment shall be required to reimburse the Government for any expenses, over and above salary payments to the employee, incurred by the Government in providing such research or study.

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SECTION 7. Under such regulations as the Director may prescribe, the Agency shall:

- (a)(1) Pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section 7(b) with regard to the granting of home leave;
- (2) Pay the travel expenses of the members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;
- (3) Pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to the place where he will reside;
- (4) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under

orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

- (5) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;
- (6) Pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

- (b)(1) Order to the continental United States on statutory leave of absence every officer and employee of the Agency who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.
- (2) While in the continental United States on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere, but the time of such work or duties shall not be counted as leave.
- (3) Where an officer or employee on leave returns to the continental United States, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the continental United States, and such time as may be necessarily occupied in awaiting sailing or flight.

(c) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where he shall determine that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination.

- (d)(1) In the event of illness or injury requiring the hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;
- (2) The Director may establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station;
- (3) The Director may, in the event of illness or injury requiring hospitalization of an officer

or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

(e) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency who is a citizen of the United States:

- (1) Allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such

officer or employee for himself and the members of his family for such period if they were in travel status;

(2) Cost-of-living allowances, whenever the Director shall determine --

(1) that the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently,

(ii) that extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee incident to the establishment of his residence at his post of assignment,

(iii) that an allowance is necessary to assist an officer or employee of the Agency who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment.

GENERAL AUTHORITIES

SECTION 8. In the performance of its functions, the Central Intelligence Agency is authorized to:

(a) Transfer to and receive from other government agencies such sums as may be authorized by the Director of the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized under Sections 102 and 303 of the National Security Act of 1947 (Public Law 253, 80th Congress), and any other government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred;

(b) Exchange funds without regard to Section 3651 Revised Statutes (31 U.S.C. 543);

(c) Reimburse other government agencies for services of personnel assigned to the Agency, and such other government agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

(d) Authorize couriers designated by the Director

to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(e) Make alterations, improvements and repairs on premises rented by the Agency and pay rent therefore without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended, provided that in each case the Director shall certify that exception from such limitations is necessary to the successful performance of the Agency's functions or to the security of its activities;

(f) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, as amended, 5 U.S.C.A. 62, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of any retired officer or warrant officer of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency or his retired pay, whichever he may elect;

(g) The Agency shall be exempt from such portion of § 4, c. 265 of the Act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions

in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

~~a (b)~~ In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of Section 102(d)(3) of the National Security Act of 1947 (Public Law 253, 80th Congress, 1st Session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of §§ 1 and 2, c. 795 of the Act of 28 August 1935, 49 Stat. 956, 957, 5 U.S.C.A. 654, and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency;

PROVIDED, That in furtherance of this section, the Director of the Bureau of the Budget shall be exempted from making such reports to the Congress in connection with the Agency as are required by § 607, Title VI, c. 212 of the Act of 30 June 1945, as amended, 5 U.S.C.A. 947(b).

APPROPRIATIONS

SECTION 9. (a) Sums, made available to the Agency by appropriation or otherwise, may be expended as necessary to carry out the provisions of this Act, including:

- (1) Personal services and rent at the seat of Government and elsewhere, including employment of aliens; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in performance of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; penalty mail; health service program as authorized by law (5 U.S.C. 150); rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles

and aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms; subject to policies established by the Director, expenses of travel in connection with, and expenses incident to attendance at meetings of professional, technical, scientific and other similar organizations when such attendance would be of benefit in the conduct of the work of the Agency; association and library dues; award, compromise or settlement of claims under the provisions of the Act of August 2, 1946 (60 Stat. 843, 28 U.S.C. 921); acquisition of land or interest in land, construction, installation, repair, rental, operation, and maintenance of buildings, utilities, facilities and appurtenances.

(b) Of the sums made available to the Agency such portions may be expended

- (1) Without regard to the provisions of law and regulations relating to the expenditure of Government funds or to the employment of persons in the Government service; and

- (2) For objects of a confidential, extraordinary or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

SECTION 10. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SECTION 11. This Act may be cited as "The Central Intelligence Agency Act of 1948."

PROPOSED CIA LEGISLATION

DRAFT OF 23 February 1948

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DRAFT

23 February 1948

A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SECTION 1. That when used in this Act, the term

- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelligence;
- (c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the government; and
- (d) "Continental United States" means the States and the District of Columbia.

SEAL OF OFFICE

SECTION 2. The Director of Central Intelligence shall cause a seal of office to be made for the Central Intelligence Agency, of such design as the President shall approve, and judicial notice shall be taken thereof.

PROCUREMENT AUTHORITIES

SECTION 3. (a) In the performance of its functions the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(e)(1), (2), (3), (4), (5), (6), (10), (12), (15), (17), and sections 3, 4, 5, 6 and 10 of the Armed Services Procurement Act of 1947, (Public Law 413, 80th Congress, 2nd Session).

(b) In the exercise of the authorities granted in sub-section (a) of this section, the term "Agency head" shall mean the Director, the Deputy Director, or the Executive Director of the Agency.

(c) The determinations and decisions provided in sub-section (a) of this section to be made by the Agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in sub-section (d) of this section, the Agency head is authorized to delegate his powers provided in this section, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the Agency.

(d) The power of the Agency head to make the determinations or decisions specified in paragraphs (12) and (15) of section 2(e) and section 5(a) of the Armed

Services Procurement Act of 1947 shall not be delegable. Each determination or decision required by paragraphs (12) and (15) of section 2(e), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making such determinations, which findings shall be final and shall be available within the Agency for a period of at least six (6) years following the date of the determination.

EDUCATION AND TRAINING

SECTION 4. (a) Any officer or employee of the Agency may be assigned or detailed for special instruction, research, or training, at or with domestic or foreign public or private institutions; trade, labor, agricultural, or scientific associations; courses or training programs under the National Military Establishment; or commercial firms.

(b) The Agency shall, under such regulations as the Director may prescribe, pay the tuition and other expenses of officials and employees of the Agency assigned or detailed in accordance with provisions of subsection (a) of this section.

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SECTION 5(A). Under such regulations as the Director may prescribe, the Agency shall:

- (1)(a) Pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section 7(b) with regard to the granting of home leave;
- (b) Pay the travel expenses of the members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;
- (c) Pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to the place where he will reside;
- (d) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under

orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

- (e) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;
- (f) Pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(2) Order to the continental United States on statutory leave of absence every officer and employee of the Agency who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(a) While in the continental United States on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere, but the time of such work or duties shall not be counted as leave.

(b) Where an officer or employee on leave returns to the continental United States, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the continental United States, and such time as may be necessarily occupied in awaiting sailing or flight.

(3) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where he shall determine that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination.

- (4)(a) In the event of illness or injury requiring the hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;
- (b) Establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station;
- (c) In the event of illness or injury requiring hospitalization of an officer or employee of the Agency who is a citizen of the United

States, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

(d) Provide for the periodic physical examination of officers and employees of the Agency and for the cost of administering inoculations or vaccinations to such officers or employees.

(B) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency who is a citizen of the United States:

(1) Allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) Cost-of-living allowances, whenever the Director shall determine --

- (a) That the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;**
- (b) That extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee incident to the establishment of his residence at his post of assignment;**
- (c) That an allowance is necessary to assist an officer or employee of the Agency who is compelled by reason of dangerous, notably unhealthy, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment.**

GENERAL AUTHORITIES

SECTION 6. In the performance of its functions, the Central Intelligence Agency is authorized to:

(a) Transfer to and receive from other government agencies such sums as may be authorized by the Director of the Bureau of the Budget, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities authorized under Sections 102 and 303 of the National Security Act of 1947 (Public Law 253, 80th Congress), and any other government agency is authorized to transfer to or receive from the Agency such sums without regard to any provisions of law limiting or prohibiting transfers between appropriations. Sums transferred to the Agency in accordance with this paragraph may be expended for the purposes and under the authority of this Act without regard to limitations of appropriations from which transferred;

(b) Exchange funds without regard to Section 3651 Revised Statutes (51 U.S.C. 543);

(c) Reimburse other government agencies for services of personnel assigned to the Agency, and such other government agencies are hereby authorized, without regard to provisions of law to the contrary, so to assign or detail any officer or employee for duty with the Agency;

(d) Authorize couriers designated by the Director

to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(e) Make alterations, improvements and repairs on premises rented by the Agency and pay rent therefor without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended, provided that in each case the Director shall certify that exception from such limitations is necessary to the successful performance of the Agency's functions or to the security of its activities;

(f) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, as amended, 5 U.S.C.A. 62, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of any retired officer or warrant officer of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency or his retired pay, whichever he may elect;

(g) In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of Section 102(d)(3) of the National Security Act of 1947 (Public Law 253,

80th Congress, 1st Session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of §§ 1 and 2, c. 795 of the Act of 28 August 1935, 49 Stat. 956, 957, 5 U.S.C.A. 654, and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency;

PROVIDED, That in furtherance of this section, the Director of the Bureau of the Budget shall be exempted from making such reports to the Congress in connection with the Agency as are required by § 607, Title VI, c. 212 of the Act of 30 June 1945, as amended, 5 U.S.C.A. 947(b);

PROVIDED FURTHER, That the Agency shall be exempt from such portion of § 4, c. 263 of the Act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

(h) When the Director shall determine that the entry of an alien into the United States for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission, an appropriate consular officer shall issue to such alien and his immediate family non-quota immigration visas as provided for in the Act of May 26, 1924, c. 190, § 2, 43 Stat. 153, as amended, but without regard to the inadmissibility of such aliens to the United States under the immigration laws, or to the failure of the application to comply with such laws; and upon issuance of visas under the provisions of this section, the aliens to whom issued will not be denied entry to the United States because of inadmissibility or ineligibility under any provisions of law governing entry of aliens into the United States;

PROVIDED, That the number of visas issued to aliens and their immediate families under the authority of this section shall in no case exceed fifty in any one calendar year.

APPROPRIATIONS

SECTION 7. (a) ~~Sum~~, made available to the Agency by appropriation or otherwise, ~~may~~ be expended as necessary to carry out the provisions of this Act, including:

- (1) Personal services and rent at the seat of Government and elsewhere, including employment of aliens; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in performance of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; penalty mail; health service program as authorized by law (5 U.S.C. 150); rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles

and aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms; subject to policies established by the Director, expenses of travel in connection with, and expenses incident to attendance at meetings of professional, technical, scientific and other similar organizations when such attendance would be of benefit in the conduct of the work of the Agency; association and library dues; award, compromise or settlement of claims under the provisions of the Act of August 2, 1946 (60 Stat. 843, 28 U.S.C. 921); acquisition of land or interest in land, construction, installation, repair, rental, operation, and maintenance of buildings, utilities, facilities and appurtenances.

of the same
(b) Of the same made available to the Agency such portions as the Director may authorize with the approval of the National Security Council may be expended.

- (1) Without regard to the provisions of law and regulations relating to the expenditure of Government funds or to the employment of persons in the Government service; and

- (2) For objects of a confidential, extraordinary or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

SECTION 8. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SECTION 9. This Act may be cited as "The Central Intelligence Agency Act of 1948."

~~SECRET~~
CONFIDENTIAL

1 March 1948

MEMORANDUM FOR THE DIRECTOR OF THE
BUREAU OF THE BUDGET

SUBJECT: Justification of Legislative
Provisions for CIA

Section 1. DEFINITIONS.

Definitions included in this proposed legislation are for the purpose of clarifying the meaning of certain provisions in the succeeding Sections.

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Section 2. SEAL OF OFFICE.

Statutory authority is needed to create a Seal of Office for the Agency. On several occasions, members of the Agency, in contacting prospective sources of intelligence, have been considerably embarrassed and sometimes refused, due to the absence of certain types of credentials. It appears that most often the contact wishes to see either a pass or a document of introduction bearing the Agency's seal. Statutory authority for a seal is requested, in order to avoid this embarrassment.

Experience has shown that intelligence records contain information that is required from time to time for official use either in other departments or as evidence in legal proceedings (i.e., the Marzani trial and the deportation proceedings against Karl and Stella Kleczkowski). Unless proper authentication of copies can be made, original documents would have to be produced. The law provides (28 U.S.C. 661) that copies authenticated with the seal of an Executive Department will be recognized and accepted in evidence to the same extent as the original document.

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Section 3. PROCUREMENT AUTHORITIES.

Certain procurement authorities are sought on the basis of difficulties which have been experienced in supplying the peculiar needs of an intelligence service. Certain items such as special cameras and communications equipment are secret in nature or in the use to which put, and, consequently, advertising cannot be used in their procurement. In contrast to normal Government procurement, some of the equipment should not be standardized but should be diversified in order to insure the security of individuals and establishments of the Agency. Thus, if all covert stations used identical typewriters bought in a lot with consecutive serial numbers, exposure of one office would endanger all.

This proposed Section would provide for exceptions to the normal requirements of advertising which have already been granted to the National Military Establishment and NSA by Public Law 413 of the 80th Congress. Inasmuch as all the authorities given in that law are not required by CIA, those sections deemed appropriate and necessary have been incorporated by reference in Section 3(a) of the proposed CIA legislation. Sections 3(b), 3(c), and 3(d) are adaptations to CIA organization of general provisions dealing with delegations of authority. They follow as closely as

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possible the original form of Public Law 413. The paragraphs of Public Law 413, which are incorporated by reference in Section 3(a), are itemized below with notes on those Sections which have not been incorporated.

Section 2(e) of Public Law 413 provides for negotiation on purchases and contracts for supplies without advertising if:

(1) There is a national emergency.

This is an authority which experience has shown is necessary for those agencies which would be first affected by a national emergency. CIA is certain to be one of the very first which would have to have recourse to this authority.

(2) The public exigency will not admit a delay. This is similar to the general exception provided for in Section 9(a) of Public Law 600, which revised Section 3709 of the Revised Statutes. It has a long history in Government procurement and its exercise is controlled by well-established principles.

(3) The aggregate amount does not exceed \$1,000.00. This raises the normal exemption of \$100.00 to \$1,000.00. The lower limitation has caused the bulk of the procurement

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problems for CIA in the past. A variety of minor items, not available through normal procurement channels, is required for support of CIA activities. The bulk of this type of procurement falls below \$1,000.00 in the aggregate but, in large part, exceeds \$100.00. There has been little indication that the advertising process used heretofore has resulted in any substantial saving to the Government, whereas the load of paper work involved in advertising and the resulting delay have definitely impaired the efficiency of CIA as a whole.

(4) For personal or professional services.

This is merely a clarification of existing authorities which have been recognized by interpretation of Revised Statute 3709 and Section 9 of Public Law 600.

(5) For service to be rendered by universities, colleges, or other educational institutions. A great majority of such institutions are non-profit in nature, and the desired service is frequently peculiar to a single institution, or else is made desirable by proximity or other factors leading to efficiency of performance.

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This exception, therefore, is merely a recognition of what is already practically in effect throughout the Government.

(6) Supplies or services are to be procured and used outside the United States.

This provision is a recognition of the impracticality of giving extra-territorial effect to Revised Statute 3703, as amended.

(7) Omitted as a large scale medical supply program is not necessary to CIA functions.

(8) Omitted as CIA does no procurement for resale.

(9) Omitted as CIA does not deal in perishable subsistence supplies.

(10) For supplies or services for which it is impracticable to secure competition. This again specifically states an exemption which is already in existence through interpretation.

(11) Omitted as CIA does not have research and development work as one of its primary functions.

(12) For supplies or services which should not be publicly disclosed. This is one of the more important exceptions for CIA, in view of

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~~the peculiar nature of some of the equipment, or the confidential purposes to which it would be put, as indicated above.~~

(13) Omitted since, as pointed out above, CIA is more interested in diversification than in standardization.

(14) Omitted as CIA is not particularly concerned with supplies requiring a substantial initial investment where advertising might require duplication of such an investment.

(15) For supplies where the bid prices of advertising are not reasonable or have not been independently arrived at. This too is a specific statement of a basic existing principle of Government procurement.

(16) Omitted as CIA is not concerned in keeping manufacturing facilities available against the time of an emergency.

(17) For procurement otherwise authorized by law. This is a catchall. It will be noted that the majority of the above exemptions are already recognized by law, regulations, or interpretation.

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The following additional Sections of Public Law 413 are incorporated by reference to apply to CIA:

Section 3 sets forth the rules for advertising.

Section 4 states the type of contracts that can be made.

Section 5 provides for advance payments under certain circumstances.

Section 6 authorizes remission by the Comptroller General of liquidating damages for delay on recommendation of the Agency head.

Section 10 provides for procurement by one agency for another and for joint procurement.

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Section 4. EDUCATION AND TRAINING.

The language of this section follows that of Section 573(b) and 705 of the Foreign Service Act of 1946 (Public Law 724 -- 79th Congress).

Specific authority would be needed if it were deemed appropriate to send members of the Agency to a school within the National Military Establishment, such as the National War College. In a few highly selected cases it will be of great benefit to the Government and the work of CIA in particular, if CIA is authorized to assign especially qualified personnel for courses of specialized instruction, such as the survey courses on Russia and China at Harvard, the Russian Institute at Columbia University, the International Affairs Program at Yale University, and similar programs.

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For these purposes specific authorization is needed in the law so that appropriated funds may be used.

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Section 5. TRAVEL, ALLOWANCES, AND RELATED EXPENSES.

Inasmuch as CIA is concerned with the coordination and production of foreign intelligence pertaining to the national security, there will be frequent need for overseas travel, occasional overseas assignment, and, as in the case of FBI, the establishment of overseas posts. It is felt that in these situations CIA has a problem similar to that faced by the Foreign Service and that authorities similar to those granted in the Foreign Service are necessary. Not all of the Foreign Service authorities are required and, where not appropriate, they have been omitted. (The comparable provisions of the Foreign Service Act of 1946 are indicated).

Section 5(A)(1)(a) provides for the payment of travel expenses for employees, including travel from a foreign post to the United States for statutory leave provided for in Section 5(A)(2). Without such a provision, employees would have to come home on statutory leave at their own expense. (Section 911(1) of the Foreign Service Act).

Section 5(A)(1)(b) provides for travel expenses of the employee's family to and from the post of duty and on authorized home leave. It is felt that it would be in the best interest of the Government not to burden

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the employee with the expense of his family's transportation when he is brought back on statutory leave. (Section 911(2) of the Foreign Service Act).

Section 5(A)(1)(c) provides for payment of transporting an employee's belongings with him from post to post. This is similar to the authority granted in Public Law 600, Section 7, for movement overseas but specifies the moves from post to post, and, where Public Law 600 provides for expenses on return to the United States to the place of actual residence at the time of assignment to duty outside the United States, this provision, similar to that given Foreign Service, provides on termination for expenses to the place where the employee will reside. In a career service, it is believed that this change is necessary in fairness to the individuals concerned. (Section 911(3) of the Foreign Service Act).

Section 5(A)(1)(d) is a recognition of the practical situation frequently occurring in times of emergency or troubled conditions in foreign countries which force the employee to move his official station at considerable expense for storage of his belongings, through no fault of his own, solely resulting from the performance of duties given him by the Agency. (Section 911(4) of the Foreign Service Act).

Section 5(A)(1)(e) is a recognition of the worldwide difficulty in obtaining quarters and of the expense

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to which an employee is frequently put for storage of his belongings at the same time that he is paying high prices for hotels or furnished rooms. A maximum of three months is considered reasonable. The regular overseas allowances are inadequate to reimburse such an additional expense. (Section 911(5) of the Foreign Service Act).

Section 5(A)(1)(f) is, like 5(A)(1)(d), a recognition of the burden which an employee may suffer due to dangerous conditions, arising at his official post through no fault of his own, which necessitate moving his household temporarily or permanently. (Section 911(7) of the Foreign Service Act).

Section 5(A)(2) authorizes the granting of statutory leave of absence in the United States for all United States citizen employees after two years abroad. Sub-sections (a) and (b) make him available for work during such leave and specify that the time necessary to travel between the foreign posts and the United States will not count against leave. It is felt that for CIA, as much as for the Foreign Service, it is in the national interest, as well as in the interest of good administration, to have personnel stationed abroad returned at reasonable intervals to renew their contact with American affairs and to keep in touch with families

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and friends in this country. It also would make a great contribution to the morale of the employees who look upon this work as a life career. It is felt that this provision would contribute materially to the maintenance of the American point of view among CIA personnel and to the efficacy of their activities. (Sections 931(b) and 933(b) of the Foreign Service Act).

Section 5(A)(3) provides for payment of shipping expenses for private automobiles. This expense, which does not come under the authority to pay for personal belongings and household goods, is believed justified in a career service, although it is not normally authorized for Government employees who are sent on special or short-term assignments overseas. (Section 913 of the Foreign Service Act).

Section 5(A)(4) has to do with the health of employees overseas. It permits the payment of travel expenses to the nearest adequate facilities when local medical facilities are inadequate, for the establishment of a first aid station and a nurse at a post where the number of personnel warrants such a station, payment for cost of treatment of illness or injury incurred in line of duty, and for physical examinations and payment of the cost of administering inoculations or vaccinations.

These provisions benefit the Government by ensuring the best treatment for illness and by authorizing

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establishment of a sound preventive health program for employees, who may be stationed in areas where infectious disease is endemic or epidemic, or at posts where climate or conditions impose hardship. In many such posts local medical facilities are hopelessly inadequate. Recently a CIA employee suffering from dysentery could not be cured by local doctors but was quickly treated with success at a Navy hospital 200 miles away. Under current authorities she had to pay her transportation there and back. This is but one example, typical of many. (Sections 941, 942(a) and (b), and 943 of the Foreign Service Act).

The authorities in Section 5(A) are the maximum permissible and are subject to such limiting regulations as the Director may prescribe. Such regulations will, in general, be patterned on those of the State Department.

Sub-section (B) of paragraph 5 provides for allowances similar to those given to Foreign Service officers and employees but omits benefits given to the Foreign Service which are not thought applicable to CIA. One of those omitted provides for loan of furniture and household equipment owned by the Government under certain conditions, and another omitted provides for representation allowances to enable certain officers to maintain a standard of living necessary to support the prestige of the United States.

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The allowances provided for in (B) are, first, living and quarters allowances for temporary periods, pending establishment of permanent residence overseas. This again recognizes world-wide housing difficulties and permits the Agency to keep such employees and their families on travel status until they are established, rather than have them dependant on the normal cost-of-living allowances for the post concerned. The second provides for cost-of-living allowances where expenses at a post are so high as to impair the morale and efficiency of the employees and, in some cases, to make life impossible on base salary alone. There are at present several posts where the recurrent basic expenses exceed, at least in the lower grades, salary of the employee, plus normal allowances established by law and regulation. Together with these general cost-of-living allowances, there is provision for extraordinary and necessary expenses not otherwise compensated for, which expenses are frequently met in unsettled periods or in localities where local law or custom impose burdens upon newly arrived individuals. Provision is also made for the establishment of separation allowances, where conditions require wife and minor children of an employee to live in a country other than

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that to which he is assigned. This burden of supporting two establishments is incident to performance of official duty and not due to any fault or act of the employee.

It should be noted that these allowances in Section 5(B) are subject to regulations set by the President. It is felt that it would be appropriate to have those regulations which the President has prescribed for the State Department extended to include CIA. (Sections 901, 901(1) & (2) of the Foreign Service Act).

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Section 6(b). Exchange of Funds.

Section 3651 Revised Statutes (31 U.S.C. 543)

prohibits exchange of funds by any disbursing officer or agent of the Government other than exchange for gold, silver, U.S. Notes and National Bank Notes, and provides further for restrictions on such permitted exchanges. It requires the head of the agency to suspend the agent who violates the provisions of this section, and report to the President for removal or reinstatement. It is essential to the operations of the Central Intelligence Agency to have an exemption from the specific terms of this statute to obtain in secure fashion the foreign currencies necessary for its operations and to protect the officers procuring and disbursing such currencies.

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Section 6(e). Assignment of Personnel.

In pursuing its mission, CIA at one time or another touches upon almost every branch of Government activity as well as some not within the scope of the Federal Government. There is a constant need for experienced officers or employees of other agencies to work directly with CIA on their specialties. Occasionally, there is an urgent need for a highly specialized technician in any one of a number of fields to perform a mission under CIA direction. The simplest method is by assignment to CIA. Previous organizations have from time to time experienced difficulty in effecting such assignments or in making reimbursement to other departments where required. Thus, at one time, a Government Printing Office specialist was urgently needed for a special project of the greatest secrecy to be carried out under the direction of the agency to which assigned. GPO was most cooperative and made the individual available, and it was not until he had been working for some period of time that statutory restrictions on assignment of GPO personnel were discovered. It was most difficult to unravel the technicalities of this case, and similar problems have arisen in reimbursing other Government agencies. Without a specific statement, the authority of CIA to pay such reimbursement might be subject to question.

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Section 6(d). Arming of Couriers.

Request is made to authorize couriers to carry firearms when engaged in the transportation of documents and materials which vitally affect the national security. A Federal statute is needed so that CIA couriers will not be subject to arrest in jurisdictions having local laws prohibiting the carrying of firearms -- such as the Sullivan Act in New York. Several instances have arisen where members of this Agency have been ordered on trips carrying Top Secret material, the loss of which would seriously impair the national security. We have been unable to allow them to carry firearms because of the absence of this statutory authority.

The Armed Services do not operate under these limitations, as they are able to send officer couriers who are authorized to carry arms. This Agency does not have the military personnel to allow the utilization of officers for this purpose.

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**Section 6(e). Rentals of Real Property and
Permanent Improvements Thereon.**

With very rare exceptions, every installation of CIA must be surrounded by precautions adequate to afford the highest security. These precautions involve such matters as bars or other protections on windows, installing vaults for Top Secret documents, or strengthening floors for adequate safes, erecting fences, installing and wiring for burglar alarms, and even actual alterations in buildings to eliminate weak points or points of observation. It is also frequently necessary to make alterations for installation of special equipment, or to facilitate efficient use of the premises.

Section 278a) of Title 40, U. S. Code, permits no more than 25% of the first year's rental for leased property to be spent on permanent improvements. This limitation has, in the past, so limited CIA on improvements to leased facilities as to qualify the security of some installations. While certain alterations or special equipment, as necessary for special uses, may fall within exemptions to the limitations, others are questionable and have from time to time forced the use of temporary and inefficient substitutes. An exemption is, therefore, asked in cases where the Director will certify that the exemption is necessary to successful performance of the Agency's functions, or to the security of its activities.

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**Section 6(f). Employment of Retired Personnel
of the Armed Services.**

Request is made for the authority to hire regular retired officers of the Armed Services. Statutory authority is needed to secure exceptions to provisions of law prohibiting the employment and payment of such officers. Up until the war, intelligence agencies were largely restricted to the Armed Services and before and during the war certain officers amassed considerable experience in this field and did outstanding work. In order for the Agency to avail itself of some of this highly qualified personnel, this section is requested. If it would appear to be controversial, it might be limited to a period of years such as the provision currently in effect for the Veterans Administration, or the number of retired officers to be employed could be limited to some arbitrary figure such as 10, 15 or 25.

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Section 6(g). Exemptions From Provisions Requiring Publication of Personnel Data.

Exemption is sought from provisions of law (5 U.S.C. 654) which require the publication each year in the Official Register of the United States, or similar publications, of full and complete lists of all persons occupying administrative and supervisory positions in CIA, as well as their official titles, salaries and other data.

Under Section 102(d)(3) of the National Security Act of 1947 the Director of Central Intelligence is responsible for protecting intelligence sources and methods from unauthorized disclosure. It is an established fact that if it were possible to know the number of personnel or the size of the budget of an intelligence organization it would be relatively simple to ascertain its functions and the scope of its operations, particularly as the Official Register does give job titles. Therefore, for essential reasons of security, the Agency should be free of any legal requirement to publish this data in the Official Register of the United States or similar publications.

Similarly, exemption is sought from that section of the law (5 U.S.C. 947b) which provides that the Director of the Bureau of the Budget shall report quarterly

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to the Congress the Agency's personnel ceilings for the quarter. This report is also required to show the net increase or decrease in Agency personnel for the period. This proposal does not in any way alter the requirement that the Director of the Bureau of the Budget fix quarterly ceilings for CIA, but merely relieves him of the requirement to report this figure to the Congress, which report would result in the publication of such figure to the detriment of the security of the United States, as indicated above.

Further exemption is requested from certain provisions applicable to the Civil Service Commission (5 U.S.C. 664). The law provides that the Commission shall review the allocation of all positions in the Agency, may revise such allocations and such allocations shall be final upon their approval by the Commission. Here again reasons of security dictate that the Agency have sole right to allocate these positions within the applicable provisions of the classification system, but that the Commission shall not be in a position to review and make final determination in each case. The present provisions enable a Civil Service Commission representative to have full access to the details of organization, functions and operational plans of CIA, as an adequate

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review of job requirements and allocations is impossible without such full knowledge. It is felt that such knowledge should not be available to any individual who does not occupy a senior overall key position in CIA. This information is definitely restricted, even within the Agency, to a limited few senior officials.

This proposed section of the law, insofar as it will exempt the Agency from the public reporting of its personnel figures, will exempt the Civil Service Commission from including in its monthly and other periodic reports to Congressional Committees any figures, furnished either by the Agency or included in overall Government totals, which would tend to indicate the number of personnel in Central Intelligence.

Nothing in this section can be construed in any way as authorizing Central Intelligence Agency to establish positions other than exactly in accordance with the Civil Service Classification Act, or to exclude the Agency from the benefits of that Act. It is merely an essential security measure.

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Hence, personal services includes employment of aliens which has for a period of years been permitted only on a very limited basis by specific authority contained in various appropriation acts.

Many of the provisions are routine and self-explanatory, such as return and interment of employees who die abroad in the performance of their official duties, penalty mail, health service program, travel to meetings of certain organizations, association and library dues, settlement of claims under the Tort Claims Act, and the maintenance of buildings. Others are particularly essential to CIA activities, such as rental of news reporting services, all sorts of reproduction machines, all sorts of communications equipment, and all sorts of transportation items. Security requires the Agency to do a certain amount of its own printing and binding, and the security which requires arming of couriers under Section 6(d) requires also authority to purchase and maintain firearms in this appropriation Section.

Provision is made for the acquisition of land, in view of the fact that it has been necessary to make temporary and unsatisfactory arrangements for such

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CONFIDENTIAL

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establishments as foreign monitoring stations, and need is seen from time to time in the future to acquire small properties for training or cover purposes. Provision would be made in budgeting such items, but the money could not be spent without a basic authority to which the certifying officer could refer.

Part (b) of Section 7 is required to authorize the spending of a portion of the money made available to the Agency for confidential purposes where security would prohibit an audit. Currently, the Agency's money is made available from confidential or contingent funds, which presuppose that any expenditures therefrom may be certified to by the head of the Agency without outside audit. It may be that, in the future, funds will be available from other sources, and, in any case, as pointed out above, the intent of Section 6(a) and Section 7 is to divorce an agency's funds from their sources. Consequently, it is felt necessary to authorize specifically the expenditure of funds for confidential purposes to which the Director will certify, and his certification will be a full accounting for such expenditures.

In practice, it is felt that the Agency would draw up its overall budget, and the Director, with the advice

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CONFIDENTIAL

of his staff, would determine what proportion could be expended as normal vouchered funds under authorities contained in the foregoing sections. The remainder of the funds required would then be available for expenditure under Section 7(b)(1). Within this amount, he would determine that a certain proportion would be for confidential purposes, which would be accounted for solely on his certificate. These confidential funds would be available for expenditure for all purposes necessary in the conduct of confidential activities of the Agency, subject to regulations prescribed by the Director. These regulations will be based, in general, on the foregoing authorities. The proportions ascertained by the Director would have to be approved by the National Security Council before submission to the Bureau of the Budget and Congress.

The Director

25 February 1948

Assistant General Counsel

Proposed CIA Legislation.

1. Herewith a revised copy of proposed CIA legislation.

2. The following changes have been made in the draft discussed with you on 20 February:

(a) The sections providing for investigation of personnel and for death benefits for extra-hazardous duty have been eliminated;

(b) Section 4 on Education and Training has been revised completely;

(c) In Section 6 the provision exempting this Agency from certain provisions of Civil Service laws has been removed as a separate section and been added as a further proviso to Section 6(g);

(d) A new provision, Section 6(h) has been added to provide for the entrance of not to exceed fifty aliens a year at the discretion of the Director;

(e) The opening sentence of Section 7(b) has been amended to read, "Of the sums made available to the Agency such portions as the Director may authorize with the approval of the National Security Council may be expended. . . ." (new matter underlined).

WALTER L. PFORZHEIMER

WLPforzheimer:blc

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

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☐ ACTION ☐ DIRECT REPLY ☐ RETURN
☐ COMMENT ☐ PREPARATION OF REPLY ☐ DISPATCH
☐ CONCURRENCE ☐ RECOMMENDATION ☒ FILE

REMARKS: Rewrite of sec. 5 as requested
by B of B. However, it is
believed that sec. 5 will remain
as previously written.

UNCLASSIFIED RESTRICTED CONFIDENTIAL SECRET
(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

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1		26 30
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☐ COMMENT ☐ PREPARATION OF REPLY ☐ DISPATCH
☐ CONCURRENCE ☐ RECOMMENDATION ☐ FILE

REMARKS: The attached draft of proposed legislation has been discussed with the B of B and GAO. It will be presented to Congress on or before 15 March.

SECRET CONFIDENTIAL RESTRICTED UNCLASSIFIED

PROPOSED CIA LEGISLATION

DRAFT OF 23 February 1948

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Section 6	General Authorities <ul style="list-style-type: none">a. Transfer of Appropriationsb. Exchange of Fundsc. Reimbursementd. Arming of Courierse. Leasing and Alteration of Propertyf. Employment of Retired Personnel of the Armed Servicesg. Exemptions from Provisions Requiring Publication of Personnel Datah. Entry Permits
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DRAFT

23 February 1948

A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SECTION 1. That when used in this Act, the term

- (a) "Agency" means the Central Intelligence Agency;
- (b) "Director" means the Director of Central Intelligence;
- (c) "Government agency" means any executive department, commission, council, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the government; and
- (d) "Continental United States" means the States and the District of Columbia.

SEAL OF OFFICE

SECTION 2. The Director of Central Intelligence shall cause a seal of office to be made for the Central Intelligence Agency, of such design as the President shall approve, and judicial notice shall be taken thereof.

PROCUREMENT AUTHORITIES

SECTION 3. (a) In the performance of its functions the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c)(1), (2), (3), (4), (5), (6), (10), (12), (15), (17), and sections 3, 4, 5, 6 and 10 of the Armed Services Procurement Act of 1947, (Public Law 415, 80th Congress, 2nd Session).

(b) In the exercise of the authorities granted in sub-section (a) of this section, the term "Agency head" shall mean the Director, the Deputy Director, or the Executive Director of the Agency.

(c) The determinations and decisions provided in sub-section (a) of this section to be made by the Agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in sub-section (d) of this section, the Agency head is authorized to delegate his powers provided in this section, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the Agency.

(d) The power of the Agency head to make the determinations or decisions specified in paragraphs (12) and (15) of section 2(c) and section 5(a) of the Armed

Services Procurement Act of 1947 shall not be delegable. Each determination or decision required by paragraphs (12) and (13), of section 2(c), by section 4 or by section 5(a) of the Armed Services Procurement Act of 1947, shall be based upon written findings made by the official making such determinations, which findings shall be final and shall be available within the Agency for a period of at least six (6) years following the date of the determination.

EDUCATION AND TRAINING

SECTION 4. (a) Any officer or employee of the Agency may be assigned or detailed for special instruction, research, or training, at or with domestic or foreign public or private institutions; trade, labor, agricultural, or scientific associations; courses or training programs under the National Military Establishment; or commercial firms.

(b) The Agency shall, under such regulations as the Director may prescribe, pay the tuition and other expenses of officials and employees of the Agency assigned or detailed in accordance with provisions of subsection (a) of this section.

10/1/50

10/1/50

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SECTION 5. In the performance of its functions, the Central Intelligence Agency is authorized to:

- (a) Apply the provisions of Sections 901 (1), (2), 911 (1), (2), (3), (4), (5), (7), 913, 931(b), 933, 941, 942, and 943 of the Foreign Service Act of 1946 (Public Law 724, 79th Congress, 2nd Session) to employees of the Agency assigned to permanent duty stations outside the continental United States.
- (b) The Director is hereby empowered to exercise the authorities conferred on the Secretary of State by the Foreign Service Act of 1946 with respect to the above Sections.

TRAVEL, ALLOWANCES, AND RELATED EXPENSES

SECTION 5(A). Under such regulations as the Director may prescribe, the Agency shall:

- (1)(a) Pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section 7(b) with regard to the granting of home leave;
- (b) Pay the travel expenses of the members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;
- (c) Pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to the place where he will reside;
- (d) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under

orders from his usual post of duty, or who is assigned to a post to which, because of emergency conditions, he cannot take or at which he is unable to use, his furniture and household and personal effects;

- (e) Pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;
- (f) Pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned.

(2) Order to the continental United States on statutory leave of absence every officer and employee of the Agency who is a citizen of the United States upon completion of two years' continuous service abroad or as soon as possible thereafter.

(a) While in the continental United States on leave, the service of any officer or employee shall be available for work or duties in the Agency or elsewhere, but the time of such work or duties shall not be counted as leave.

(b) Where an officer or employee on leave returns to the continental United States, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the continental United States, and such time as may be necessarily occupied in awaiting sailing or flight.

(3) Notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where he shall determine that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination.

- (4)(a) In the event of illness or injury requiring the hospitalization of an officer or employee of the Agency who is a citizen of the United States, not the result of vicious habits, intemperance, or misconduct on his part, incurred while on assignment abroad, in a locality where there does not exist a suitable hospital or clinic, pay the travel expenses of such officer or employee by whatever means he shall deem appropriate and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933 (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable hospital or clinic exists and on his recovery pay for the travel expenses of his return to his post of duty. If the officer or employee is too ill to travel unattended, the Director may also pay the travel expenses of an attendant;
- (b) Establish a first-aid station and provide for the services of a nurse at a post at which, in his opinion, sufficient personnel is employed to warrant such a station;
- (c) In the event of illness or injury requiring hospitalization of an officer or employee of the Agency who is a citizen of the United

States, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

- (d) Provide for the periodic physical examination of officers and employees of the Agency and for the cost of administering inoculations or vaccinations to such officers or employees.

(B) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency who is a citizen of the United States, *allowances for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;*

(1) Allowances, wherever Government owned or rented quarters are not available, for living quarters, heat, light, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status;

(2) Cost-of-living allowances, whenever the Director shall determine --

- (a) That the cost of living at a post abroad is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;
- (b) That extraordinary and necessary expenses, not otherwise compensated for, are incurred by an officer or employee incident to the establishment of his residence at his post of assignment;
- (c) That an allowance is necessary to assist an officer or employee of the Agency who is compelled by reason of dangerous, notably unhealthy, or excessively adverse living conditions at his post abroad or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than in the country of his assignment.

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to carry firearms when engaged in transportation of confidential documents and materials affecting the national defense and security;

(e) Make alterations, improvements and repairs on premises rented by the Agency and pay rent therefor without regard to limitations on expenditures contained in the Act of June 30, 1932, as amended, provided that in each case the Director shall certify that exception from such limitations is necessary to the successful performance of the Agency's functions or to the security of its activities;

(f) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, as amended, 5 U.S.C.A. 62, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of any retired officer or warrant officer of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency or his retired pay, whichever he may elect;

(g) In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of Section 102(d)(3) of the National Security Act of 1947 (Public Law 253,

80th Congress, 1st Session) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of §§ 1 and 2, c. 79 of the Act of 28 August 1935, 49 Stat. 956, 957, 5 U.S.C.A. 654, and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency;

PROVIDED, That in furtherance of this section, the Director of the Bureau of the Budget shall be exempted from making such reports to the Congress in connection with the Agency ^{which} ~~as are required by~~ § 607, Title VI, c. 212 of the Act of 30 June 1945, as amended, 5 U.S.C.A. 947(b);

PROVIDED FURTHER, That the Agency shall be exempt from such portion of § 4, c. 265 of the Act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

(h) When the Director shall determine that the entry of an alien into the United States for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission, an appropriate consular officer shall issue to such alien and his immediate family non-quota immigration visas as provided for in the Act of May 26, 1924, ~~as amended~~, 48 Stat. 153, as amended, but without regard to the inadmissibility of such aliens to the United States under the immigration laws, or to the failure of the application to comply with such laws; and upon issuance of visas under the provisions of this section, the aliens to whom issued will not be denied entry to the United States because of inadmissibility or ineligibility under any provisions of law governing entry of aliens into the United States;

PROVIDED, That the number of visas issued to aliens and their immediate families under the authority of this section shall in no case exceed fifty in any one calendar year.

including any other provisions of law

APPROPRIATIONS

SECTION 7. (a) Funds, made available to the Agency by appropriation or otherwise, may be expended *as necessary* to carry out *its functions* ~~the provisions of this Act,~~ including:

- (1) Personal services and rent at the seat of Government and elsewhere, including employment of aliens; preparation and transportation of the remains of officers and employees who die abroad or in transit, while in performance of their official duties, to their former homes in this country or to a place not more distant for interment, and for ordinary expenses of such interment; penalty mail; health service program as authorized by law (5 U.S.C. 150); rental of news-reporting services; purchase or rental and operation of photographic, reproduction, cryptographic, duplication and printing machines, equipment and devices, and radio-receiving and radio-sending equipment and devices including telegraph and teletype equipment; purchase, maintenance, operation, repair and hire of passenger motor vehicles

and aircraft, and vessels of all kinds; printing and binding; purchase, maintenance, and cleaning of firearms; subject to policies established by the Director, expenses of travel in connection with, and expenses incident to attendance at meetings of professional, technical, scientific and other similar organizations when such attendance would be of benefit in the conduct of the work of the Agency; association and library dues; award, compromise or settlement of claims under the provisions of the Act of August 2, 1946 (60 Stat. 843, 28 U.S.C. 921); acquisition of land or interest in land, construction, installation, repair, rental, operation, and maintenance of buildings, utilities, facilities and appurtenances.

(b) Of the sums made available to the Agency such portions as ~~the Director may authorize with the approval~~ ^{to approve} of the National Security Council may be expended

- (1) Without regard to the provisions of law and regulations relating to the expenditure of Government funds, ~~or to the employment of persons in the Government service;~~ and
- 6501

- (2) For objects of a confidential, extraordinary or emergency nature, such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SEPARABILITY OF PROVISIONS

SECTION 8. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SHORT TITLE

SECTION 9. This Act may be cited as "The Central Intelligence Agency Act of 1949."

COPY

UNITED STATES CIVIL SERVICE COMMISSION
Washington 25, D. C.

March 10, 1948

Honorable Elmer B. Staats
Assistant Director, Legislative Reference
Executive Office of the President
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Staats:

The Commission has your letter of March 3, 1948, requesting our views with respect to a draft bill submitted by the Central Intelligence Agency "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

With the exception of the provisions made in the second proviso clause of section 6(g) and the provisions of section 7(b)(1), the Commission would have no objection to the enactment of the bill in its present form. The sections referred to provide for exemption of the Agency from such portion of section 4, c. 265, of the act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations (sec. 6(g), second proviso clause); and for the expenditure of such portions of the sums appropriated for the Agency as the Director may authorize, with the approval of the National Security Council, without regard to the provisions of law and regulations relating to * * * the employment of persons in the Government service (sec. 7(b) (1)).

The Commission recognizes that very difficult personnel problems confront a newly established agency such as the Central Intelligence Agency. The Commission recognizes further that from the very nature of the functions that have been entrusted to the Central Intelligence Agency deviations from the normal methods of procedure may be necessary for security purposes. The Commission therefore would not object to any necessary exemptions from the laws relating to the employment and compensation of persons in the Government service.

However, the Commission does object to the granting of blanket authority to any agency to make exemptions from the laws relating to Government personnel in the discretion of the agency. For one thing, we feel that the types of position in any agency that would require an exemption can be sufficiently

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identified so that specific exemptions can be made. In addition, we feel that exemptions should be made by some central authority so that there will be some uniformity in the Government service as a whole with respect to the positions that are exempted from the civil-service laws.

The Commission therefore desires to make the following recommendations with respect to the bill in question:

1. That the second proviso clause of section 6(g) be amended to read as follows:

Provided further, That to the extent the President deems such action necessary to the discharge of the Agency's responsibilities, the Agency's allocation of professional, scientific, and technical positions shall be exempt from such portion of section 4, c. 265, of the act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

2. In section 7(b) (1), delete the words "or to the employment of persons in the Government service."

3. Add to section 6 a new subsection (i) as follows:

(i) The Director of the Central Intelligence Agency is hereby authorized, subject to the civil-service laws and to the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary for the performance of the functions of the Agency: Provided, That to the extent the President deems such action necessary to the discharge of the Agency's responsibilities, professional, scientific, and technical personnel may be employed and their compensation fixed without regard to such laws.

By direction of the Commission:

Sincerely yours,

Harry B. Mitchell
President

RESTRICTED

1 March 1948

MEMORANDUM TO: Chief, Fiscal Branch, A & M

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ATTENTION:

SUBJECT: Membership in Various Organizations for Intelligence Purposes

1. After due consideration, it was felt that the Reference Center for CIA should attempt to obtain membership in organizations from time to time in order to receive printed material and other information available to members only. It is understood that a special plea would have to be made in order to secure such memberships, and that you desire to include this plea for special dispensation in your budget presentation for such memberships when they are essential.

2. We have found that in many instances periodic and occasional publications are available to members of organizations which material is not available to the public by and large. There are also occasions when members may purchase statistical books, year books, and special reports at 40, 50, or 60% off the list price. It has been found that in some instances publications are available to members at \$5.00 and are sold on the open market for \$10.00. In some cases, the saving of \$5.00 on a book will pay for the membership fee.

3. The potential information to be obtained through membership in such organizations, for example, relates to production of raw materials, political analysis, scientific research in foreign areas, new methods and techniques for handling, cataloging and otherwise processing documentary information, new techniques for efficiently processing records, etc. The type of information to be obtained through these memberships will be directly related to the needs of operational and research staffs of CIA. The Reference Center is constantly trying to obtain this type of material for its basic reference collection.

4. Membership fees in these organizations are often quite high but most of them are around \$3.00 and \$5.00 with an average cost running about \$7.50. As an example of the type of organization in which we are interested, but in which we are not asking membership at this time, are the following:

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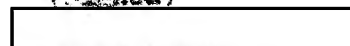
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(Signed)



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Deputy Chief
Reference Center

certified to be a true copy.

RESTRICTED

COPY

March 11, 1948

My dear Mr. Webb:

The Department of State has examined the draft bill "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes," submitted by the Central Intelligence Agency, and has found it to contain nothing which in its views would not conform to the program of the President, excepting the provisions of Section 6(h), Entry Permits, which would in certain cases extend authority for granting visas to the Central Intelligence Agency. It is our belief that this grant of power is too broad and would appear to be incompatible with necessary immigration regulations. As it has done in the past with other American intelligence agencies, the Department of State will be glad to cooperate with CIA on specific requests for visas. However, each case should be handled on its merits. The consular officer and the Department should continue to exercise discretion in the matter.

It is the Department's view that extreme care must be taken when consideration is being given to the use of permanent entry and eventual American citizenship as a payment for services rendered by an alien. From a security standpoint the practice is dangerous.

The Department suggests that Section 6(h), Entry Permits, be eliminated and that attention be given to the provisions of H. R. 3255, a bill introduced by Congressman Harter, which would authorize the use of the first ten percent of the quotas for security and other cases involving the national interest.

Sincerely yours,

(Signed) Robert A. Lovett

The Honorable
James E. Webb
Director
Bureau of the Budget

B-74185

Mar 12 1948

The Director,

Bureau of the Budget

My dear Mr. Webb:

Reference is made to your letter dated March 3, 1948, forwarding for my comments, a draft of a proposed bill submitted by the Central Intelligence Agency, entitled "A BILL To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

Section 102 of the National Security Act of 1947, Public 253, approved July 26, 1947, 61 Stat. 497, established the Central Intelligence Agency under the National Security Council, to coordinate the intelligence activities of the Government agencies in the interests of national security. The Central Intelligence Agency was charged with the duty, under the direction of the National Security Council to advise the Council in matters concerning the intelligence activities of the Government agencies as related to national security, to make recommendations to the Council for the coordination of such activities, to correlate, evaluate, and provide for the proper dissemination within the Government of such intelligence, and to be responsible for protecting the intelligence sources and methods from unauthorized disclosure. It was further charged with the performance, for the benefit of existing intelligence agencies, of such additional services of common concern as the National Security Council determined could more efficiently be accomplished centrally and such other functions and duties related to intelligence affecting the national security as the National Security Council might direct. Provision was made to the extent recommended by the National Security Council, and

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approved by the President, for intelligence relating to national security possessed by the various Government agencies to be made available to the Central Intelligence Agency for correlation, evaluation and appropriate dissemination and the personnel, property of and funds available to the Central Intelligence Group established pursuant to Executive order (11 Fed. Reg. 1337) were transferred to the Central Intelligence Agency.

The proposed bill would define the authority of that Agency and establish certain procedures for its administration. Sections 1 and 2 of the bill define the terms used therein and provide for a seal of office for the Agency. Section 3 would grant to the Agency certain of the authorities granted the Departments of the Army, Navy, Air Force, the Coast Guard, and the Advisory Committee for Aeronautics by Public Law 413, approved February 19, 1948, in the procurement of supplies and services, such as authority to purchase the said supplies and services without advertising, where the aggregate amount involved is less than \$1,000 where the public exigencies will not permit of delay incident to advertising; where direct procurement without advertising is deemed to be necessary in the public interest during periods of national emergency, declared by the Congress or the President; or where the supplies and services are to be procured and used outside the United States. The provisions as to advance payments under negotiated contracts, release of liquidated damages, etc., under sections 3, 4, 5, 6 and 10 of the Armed Forces Procurement Act would also be applicable to the Central Intelligence Agency. Sections 4 and 5 of the proposed draft relate to education and training of its officers and employees and allowance for travel and related items. Section 6 of the act would grant authority to the Central Intelligence Agency in performing its functions, to transfer to and receive from other agencies, funds authorized by the Director of the Bureau of the Budget, without regard to any of the provisions of law and permit the expenditure of funds thus received without

regard to the limitations of appropriations from which transferred; would permit the exchange of funds; provide for the assignment or detail of officers of other agencies for duty with the Central Intelligence Agency, on a reimbursable basis; authorize couriers carrying confidential documents to carry fire arms; authorize, on certification of the Director that the action is necessary to the successful performance of its functions, the alteration, improvement, and repair of leased premises without regard to existing limitations; permit the employment of retired personnel of the armed services to be paid either their retired pay or pay as an employee of the Agency; except the Agency from complying with laws relating to publication or disclosure of the identity of its personnel for publication in the Federal Register; from furnishing reports of the number of its employees to the Bureau of the Budget, and from the necessity of allocating its positions as provided in 5 U.S.C. 654, 947b and 664; permits the entry into the United States of not to exceed 50 aliens and their immediate families in any calendar year, without regard to the immigration law, on the Director's determining that their entry is in the interest of national security or essential to the furtherance of national intelligence. Section 7 provides that funds made available to the Agency may be expended for numerous purposes specifically set forth therein; and with the approval of the National Security Council that portions of such funds may be expended without regard to the provisions of law applicable to Government funds or to the employment of persons in the Government services and further, that with such approval objects of a confidential, extraordinary or emergency nature might be accounted for on certificate of the Director, such certificate to be deemed a sufficient voucher for the amount certified. Sections 8 and 9 provide for separability of provisions, in the event any provision is held invalid, and for a short title for the act.

While sections 3, 6 and 7 of the proposed enactment provide for the granting of much wider authority than I would ordinarily recommend for Government agencies generally, the purposes sought to be obtained by the establishment of the Central Intelligence Agency are believed to be of such paramount importance as to justify the extraordinary measures proposed therein. The importance of obtaining, correlating, and disseminating to proper agencies of the Government intelligence relating to national security under present international conditions cannot be overlooked. In an atomic age, where the act of an unfriendly power might, in a few short hours, destroy, or seriously damage the security, if not the existence of the nation itself, it becomes of vital importance to secure, in every practicable way, intelligence affecting its security. The necessity for secrecy in such matters is apparent and the Congress apparently recognized this fully in that it provided in section 102(d) 3 of Public Law 253, that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure. Under these conditions, I do not feel called upon to object to the proposals advanced in sections 3, 6 and 7 of the act. Sections 1, 2, 8 and 9 of the act are largely ministerial and free from objection under the circumstances. Sections 4 and 5 are patterned closely to the provisions of the Foreign Service Act of 1946, 60 Stat. 999, and appear free from objection except insofar as relates to the ordering to the United States, on statutory leave, citizen officers and employees of the Agency upon completion of two years' service abroad and the payment of expenses connected therewith. Unlike foreign service officers, no statutory provisions as to leave other than those applicable generally to Government employees as set forth in 5 U.S.C. 30, 30a, and 30b have been enacted as to officers or employees of the Central Intelligence Agency,

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and in order to avoid unnecessary expense in returning to the United States, employees who may be totally without accrued leave or whose stay here would be so brief as not to warrant the expense involved, it might be well to change section 5 (a) 2 to read somewhat as follows:

"Order to continental United States on leave provided for in 5 U.S.C. 30, 30a, 30b, or as such sections may hereafter be amended every officer and employee of the Agency who is a citizen of the United States, upon completion of two years' continuous service abroad, or as soon as possible thereafter, provided that such officer or employee has accrued to his credit at the time of such order, annual leave sufficient to carry him in a pay status while in the United States for at least 30 days."

The enclosures of your letter are returned herewith.

Respectfully,

(Signed) Lindsay C. Warren
Comptroller General
of the United States.

Enclosures.

UNITED STATES CIVIL SERVICE COMMISSION
Washington 25, D. C.

March 10, 1948

Honorable Oliver N. Staats
Assistant Director, Legislative Reference
Executive Office of the President
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Staats:

The Commission has your letter of March 3, 1948, requesting our views with respect to a draft bill submitted by the Central Intelligence Agency "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

With the exception of the provisions made in the second proviso clause of section 6(g) and the provisions of section 7(b)(1), the Commission would have no objection to the enactment of the bill in its present form. The sections referred to provide for exemption of the Agency from such portion of section 4, c. 265, of the act of March 4, 1923, as amended, 5 U.S.C.A. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations (sec. 6(g), second proviso clause); and for the expenditure of such portions of the sums appropriated for the Agency as the Director may authorize, with the approval of the National Security Council, without regard to the provisions of law and regulations relating to the employment of persons in the Government service (sec. 7(b)(1)).

The Commission recognizes that very difficult personnel problems confront a newly established agency such as the Central Intelligence Agency. The Commission recognizes further that from the very nature of the functions that have been entrusted to the Central Intelligence Agency deviations from the normal methods of procedure may be necessary for security purposes. The Commission therefore would not object to any necessary exemptions from the laws relating to the employment and compensation of persons in the Government service.

However, the Commission does object to the granting of blanket authority to any agency to make exemptions from the laws relating to Government personnel in the discretion of the agency. For one thing, we feel that the types of position in any agency that would require an exemption can be sufficiently

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identified so that specific exemptions can be made. In addition, we feel that exemptions should be made by some central authority so that there will be some uniformity in the Government service as a whole with respect to the positions that are exempted from the civil-service laws.

The Commission therefore desires to make the following recommendations with respect to the bill in question:

1. That the second proviso clause of section 6(g) be amended to read as follows:

Provided further, That to the extent the President deems such action necessary to the discharge of the Agency's responsibilities, the Agency's allocation of professional, scientific, and technical positions shall be exempt from such portion of section 4, c. 265, of the act of March 4, 1923, as amended, 5 U.S.C. 664, which authorizes the Civil Service Commission to review and revise the allocation of positions in the Agency and which empowers the Civil Service Commission to render final approval upon such allocations.

2. In section 7(b) (1), delete the words "or to the employment of persons in the Government service."

3. Add to section 6 a new subsection (1) as follows:

(1) The Director of the Central Intelligence Agency is hereby authorized, subject to the civil-service laws and to the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary for the performance of the functions of the Agency: provided, That to the extent the President deems such action necessary to the discharge of the Agency's responsibilities, professional, scientific, and technical personnel may be employed and their compensation fixed without regard to such laws.

By direction of the Commission:

Sincerely yours,

Harry T. Mitchell
President

Mr. Miller of the Bureau of the Budget called and left the following message:

On Section 7 (a) (1) on the third line after "aliens, insert - services as authorized by Section 15 of the Act of August 2, 1946 (5 U.S.C. 55 a) at rates for individuals not in excess of \$50 per diem;

If we intend to hire special consultants the foregoing language is necessary.

Ruby

80TH CONGRESS
2D SESSION

S. 2306

IN THE SENATE OF THE UNITED STATES

MARCH 13 (legislative day, FEBRUARY 2), 1948

Mr. GURNEY introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DEFINITIONS

4 SECTION 1. That when used in this Act, the term—

5 (a) “Agency” means the Central Intelligence Agency;

6 (b) “Director” means the Director of Central Intelli-
7 gence;

8 (c) “Government agency” means any executive de-
9 partment, commission, council, independent establishment,
10 corporation wholly or partly owned by the United States

1 which is an instrumentality of the United States, board,
2 bureau, division, service, office, officer, authority, administra-
3 tion, or other establishment, in the executive branch of the
4 government; and

5 (d) "Continental United States" means the States and
6 the District of Columbia.

7 SEAL OF OFFICE

8 SEC. 2. The Director of Central Intelligence shall cause
9 a seal of office to be made for the Central Intelligence
10 Agency, of such design as the President shall approve, and
11 judicial notice shall be taken thereof.

12 PROCUREMENT AUTHORITIES

13 SEC. 3. (a) In the performance of its functions the
14 Central Intelligence Agency is authorized to exercise the
15 authorities contained in sections 2 (c) (1), (2), (3), (4),
16 (5), (6), (10), (12), (15), (17), and sections 3, 4,
17 5, 6, and 10 of the Armed Services Procurement Act of
18 1947 (Public Law 413, Eightieth Congress, second session).

19 (b) In the exercise of the authorities granted in sub-
20 section (a) of this section, the term "Agency head" shall
21 mean the Director, the Deputy Director, or the Executive
22 Director of the Agency.

23 (c) The determinations and decisions provided in sub-
24 section (a) of this section to be made by the Agency head
25 may be made with respect to individual purchases and con-

1 tracts or with respect to classes of purchases or contracts,
2 and shall be final. Except as provided in subsection (d) of
3 this section, the Agency head is authorized to delegate his
4 powers provided in this section, including the making of
5 such determinations and decisions, in his discretion and
6 subject to his direction, to any other officer or officers or
7 officials of the Agency.

8 (d) The power of the Agency head to make the de-
9 terminations or decisions specified in paragraphs (12) and
10 (15) of section 2 (c) and section 5 (a) of the Armed
11 Services Procurement Act of 1947 shall not be delegable.
12 Each determination or decision required by paragraphs (12)
13 and (15) of section 2 (c), by section 4 or by section 5 (a)
14 of the Armed Services Procurement Act of 1947, shall be
15 based upon written findings made by the official making
16 such determinations, which findings shall be final and shall
17 be available within the Agency for a period of at least six
18 years following the date of the determination.

19 EDUCATION AND TRAINING

20 SEC. 4. (a) Any officer or employee of the Agency
21 may be assigned or detailed for special instruction, research,
22 or training, at or with domestic or foreign public or private
23 institutions; trade, labor, agricultural, or scientific associa-
24 tions; courses or training programs under the National
25 Military Establishment; or commercial firms.

1 (b) The Agency shall, under such regulations as the
2 Director may prescribe, pay the tuition and other expenses
3 of officials and employees of the Agency assigned or detailed
4 in accordance with provisions of subsection (a) of this sec-
5 tion, in addition to the pay and allowances to which such
6 officials and employees may be otherwise entitled.

7 TRAVEL, ALLOWANCES, AND RELATED EXPENSES

8 SEC. 5. (A) Under such regulations as the Director
9 may prescribe, the Agency, with respect to its employees
10 assigned to permanent-duty stations outside the continental
11 United States, its Territories and possessions, shall—

12 (1) (a) pay the travel expenses of officers and
13 employees of the Agency, including expenses incurred
14 while traveling pursuant to orders issued by the Director
15 in accordance with the provisions of section 5 (A) (2)
16 with regard to the granting of home leave;

17 (b) pay the travel expenses of the members of
18 the family of an officer or employee of the Agency when
19 proceeding to or returning from his post of duty; ac-
20 companying him on authorized home leave; or other-
21 wise traveling in accordance with authority granted
22 pursuant to the terms of this or any other Act;

23 (c) pay the cost of transporting the furniture and
24 household and personal effects of an officer or employee
25 of the Agency to his successive posts of duty and, on

1 the termination of his services, to the place where he
2 will reside;

3 (d) pay the cost of storing the furniture and house-
4 hold and personal effects of an officer or employee of
5 the Agency who is absent under orders from his usual
6 post of duty, or who is assigned to a post to which,
7 because of emergency conditions, he cannot take or at
8 which he is unable to use, his furniture and household
9 and personal effects;

10 (e) pay the cost of storing the furniture and house-
11 hold and personal effects of an officer or employee of
12 the Agency on first arrival at a post for a period not
13 in excess of three months after such first arrival at such
14 post or until the establishment of residence quarters,
15 whichever shall be shorter;

16 (f) pay the travel expenses and transportation
17 costs incident to the removal of the members of the
18 family of an officer or employee of the Agency and
19 his furniture and household and personal effects, includ-
20 ing automobiles, from a post at which, because of the
21 prevalence of disturbed conditions, there is imminent
22 danger to life and property, and the return of such
23 persons, furniture, and effects to such post upon the
24 cessation of such conditions; or to such other post as

1 may in the meantime have become the post to which
2 such officer or employee has been assigned;

3 (2) order to the continental United States on
4 statutory leave of absence every officer and employee
5 of the Agency who is a citizen of the United States
6 upon completion of two years' continuous service abroad
7 or as soon as possible thereafter;

8 (a) while in the continental United States on leave,
9 the service of any officer or employee shall be available
10 for work or duties in the Agency or elsewhere, but the
11 time of such work or duties shall not be counted as
12 leave;

13 (b) where an officer or employee on leave returns
14 to the continental United States, leave of absence
15 granted shall be exclusive of the time actually and
16 necessarily occupied in going to and from the con-
17 tinental United States, and such time as may be neces-
18 sarily occupied in awaiting sailing or flight.

19 (3) notwithstanding the provisions of any other
20 law, transport for or on behalf of an officer or employee
21 of the Agency, a privately owned automobile in any
22 case where he shall determine that water, rail, or air
23 transportation of the automobile is necessary or expedient
24 for any part or of all the distance between points of
25 origin and destination;

1 (4) (a) in the event of illness or injury requiring
2 the hospitalization of an officer or employee of the
3 Agency who is a citizen of the United States, not the
4 result of vicious habits, intemperance, or misconduct on
5 his part, incurred while on assignment abroad, in a
6 locality where there does not exist a suitable hospital
7 or clinic, pay the travel expenses of such officer or
8 employee by whatever means he shall deem appropriate
9 and without regard to the Standardized Government
10 Travel Regulations and section 10 of the Act of March
11 3, 1933 (47 Stat. 1516; 5 U. S. C. 73b), to the nearest
12 locality where a suitable hospital or clinic exists and
13 on his recovery pay for the travel expenses of his return
14 to his post of duty. If the officer or employee is too
15 ill to travel unattended, the Director may also pay the
16 travel expenses of an attendant;

17 (b) establish a first-aid station and provide for
18 the services of a nurse at a post at which, in his
19 opinion, sufficient personnel is employed to warrant
20 such a station;

21 (c) in the event of illness or injury requiring hos-
22 pitalization of an officer or employee of the Agency
23 who is a citizen of the United States, not the result of
24 vicious habits, intemperance, or misconduct on his part,
25 incurred in the line of duty while such person is assigned

1. . . . abroad, pay for the cost of the treatment of such illness
2. . . . or injury at a suitable hospital or clinic;

3. . . . (d) provide for the periodic physical examination
4. . . . of officers and employees of the Agency and for the cost
5. . . . of administering inoculations or vaccinations to such
6. . . . officers or employees.

7. . . . (B) In accordance with such regulations as the Presi-
8. . . . dent may prescribe and notwithstanding the provisions of
9. . . . section 1765 of the Revised Statutes (5 U. S. C. 70),
10. . . . the Director is authorized to grant to any officer or employee
11. . . . of the Agency who is a citizen of the United States allow-
12. . . . ances in accordance with the provisions of sections 901 (1)
13. . . . and 901 (2) of the Foreign Service Act of 1946.

14. . . . GENERAL AUTHORITIES

15. . . . SEC. 6. In the performance of its functions, the Central
16. . . . Intelligence Agency is authorized to—

17. . . . (a) transfer to and receive from other Government
18. . . . agencies such sums as may be approved by the Bureau
19. . . . of the Budget, for the performance of any of the func-
20. . . . tions or activities authorized under sections 102 and
21. . . . 303 of the National Security Act of 1947 (Public Law
22. . . . 253, Eightieth Congress), and any other Government
23. . . . agency is authorized to transfer to or receive from the
24. . . . Agency such sums without regard to any provisions of
25. . . . law limiting or prohibiting transfers between appro-

1 priations. Sums transferred to the Agency in accord-
2 ance with this paragraph may be expended for the
3 purposes and under the authority of this Act without
4 regard to limitations of appropriations from which
5 transferred;

6 (b) exchange funds without regard to section 3651
7 Revised Statutes (31 U. S. C. 543) ;

8 (c) reimburse other Government agencies for serv-
9 ices of personnel assigned to the Agency, and such
10 other Government agencies are hereby authorized, with-
11 out regard to provisions of law to the contrary, so to
12 assign or detail any officer or employee for duty with
13 the Agency;

14 (d) authorize couriers designated by the Director
15 to carry firearms when engaged in transportation of
16 confidential documents and materials affecting the
17 national defense and security;

18 (e) make alterations, improvements, and repairs
19 on premises rented by the Agency and pay rent there-
20 for without regard to limitations on expenditures con-
21 tained in the Act of June 30, 1932, as amended:
22 *Provided*, That in each case the Director shall certify
23 that exception from such limitations is necessary to the
24 successful performance of the Agency's functions or to
25 the security of its activities;

10

1 (f) in the interests of the security of the foreign
 2 intelligence activities of the United States and in order
 3 further to implement the proviso of section 102 (d)
 4 (3) of the National Security Act of 1947 (Public Law
 5 253, Eightieth Congress, first session) that the Direc-
 6 tor of Central Intelligence shall be responsible for pro-
 7 tecting intelligence sources and methods from unauthor-
 8 ized disclosure, the Agency shall be exempted from the
 9 provisions of sections 1 and 2, chapter 795, of the Act
 10 of August 28, 1935 (49 Stat. 956, 957; 5 U. S. C. A.
 11 654), and the provisions of any other law which require
 12 the publication or disclosure of the organization, func-
 13 tions, names, official titles, salaries, or numbers of per-
 14 sonnel employed by the Agency: *Provided*, That in
 15 furtherance of this section, the Director of the Bureau
 16 of the Budget shall make no reports to the Congress in
 17 connection with the Agency under section 607, title VI,
 18 chapter 212, of the Act of June 30, 1945, as amended
 19 (5 U. S. C. A. 947 (b)).

20 APPROPRIATIONS

21 SEC. 7. (a) Notwithstanding any other provisions of
 22 law, sums made available to the Agency by appropriation
 23 or otherwise may be expended for purposes necessary to
 24 carry out its functions, including—

25 (1) personal services, *without regard to limitation*
on the part of the Bureau of the Budget

1 aliens, and rent at the seat of government and else-
2 where; preparation and transportation of the remains
3 of officers and employees who die abroad or in transit,
4 while in performance of their official duties, to their
5 former homes in this country or to a place not more
6 distant for interment, and for ordinary expenses of such
7 interment; penalty mail; health-service program as
8 authorized by law (5 U. S. C. 150); rental of news-
9 reporting services; purchase or rental and operation of
10 photographic, reproduction, cryptographic, duplication
11 and printing machines, equipment and devices, and
12 radio-receiving and radio-sending equipment and devices,
13 including telegraph and teletype equipment; purchase,
14 maintenance, operation, repair, and hire of passenger
15 motor vehicles and aircraft, and vessels of all kinds;
16 printing and binding; purchase, maintenance, and clean-
17 ing of firearms; subject to policies established by the
18 Director, expenses of travel in connection with, and
19 expenses incident to attendance at meetings of profes-
20 sional, technical, scientific, and other similar organiza-
21 tions when such attendance would be of benefit in the
22 conduct of the work of the Agency; association and
23 library dues; payment of claims pursuant to section 403
24 of the Federal Tort Claims Act of 1946 (60 Stat. 843;
25 28 U. S. C. 921) ; repair, rental, operation, and mainte-

12

1 nance of buildings, utilities, facilities, and appurtenances.

2 (b) Of the sums made available to the Agency, such
3 amounts as may be approved by the Bureau of the Budget
4 may be expended—

5 (1) without regard to the provisions of law and
6 regulations relating to the expenditure of Government
7 funds; and

8 (2) for objects of a confidential, extraordinary, or
9 emergency nature, such expenditures to be accounted
10 for solely on the certificate of the Director and every
11 such certificate shall be deemed a sufficient voucher for
12 the amount therein certified.

13 SEPARABILITY OF PROVISIONS

14 SEC. 8. If any provision of this Act, or the applica-
15 tion of such provision to any person or circumstances, is held
16 invalid, the remainder of this Act or the application of such
17 provision to persons or circumstances other than those as
18 to which it is held invalid, shall not be affected thereby.

19 SHORT TITLE

20 SEC. 9. This Act may be cited as the "Central Intel-
21 ligence Agency Act of 1948".

26 March 1948

EXPLANATION OF THE PROVISIONS OF H. R. 5871

(References are to Section, page, and line of H. R. 5871).

Section 1 (page 1, line 4) comprises definitions of certain terms used in the Act.

Section 2 (page 2, line 8) provides for a seal of office. Intelligence records contain information that is sometimes required for official use either in other Departments or as evidence in legal proceedings. Unless proper authentication of copies can be made, original documents would have to be produced.

Section 3(a) (page 2, line 13) provides for the extension to CIA of certain provisions of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress). The following provisions of Section 2(c) of the Armed Services Procurement Act are requested which provide for negotiation on purchases and contracts for supplies without advertising if:

There is a national emergency, (Sec. 2(c)(1));

The public exigency will not admit a delay,
(Sec. 2(c)(2));

(5648)

The aggregate amount does not exceed \$1,000.00,
(Sec. 2(c)(3));

For personal or professional services, (Sec.
2(c)(4));

For service to be rendered by universities,
colleges or other educational institutions,
(Sec. 2(c)(5));

Supplies or services are to be procured and used
outside the United States, (Sec. 2(c)(6));

For supplies or services for which it is im-
practicable to secure competition, (Sec. 2(c)
(10));

For supplies or services the nature of which
should not be publicly disclosed, (Sec. 2(c)(12));

For supplies when the bid prices after advertis-
ing are not reasonable or have not been indepen-
dently arrived at, (Sec. 2(c)(15)); and

For such procurement otherwise authorized by
law, (Sec. 2(c)(17));

The remaining sections of Public Law 413, which it is
requested be extended to CIA, set forth the rules for adver-
tising, the type of contracts that can be made, provide for
advance payments under certain circumstances, liquidating
damages, and joint procurement.

Section 3(b) (page 2, line 19) defines "Agency head"
as the Director, Deputy Director, or Executive Director of
the CIA in the same manner as it is defined in Section 9
of Public Law 413 where "agency head" is construed to mean
the Secretary, Under Secretary, or any Assistant Secretary
of the Armed Services.

Section 3(c) (page 2, line 23) provides for the delegation of procurement authorities by the Agency head to other responsible officials of the Agency, in a manner similar to the provisions of Section 10 of Public Law 413.

Section 3(d) (page 3, line 8) provides that certain procurement authorities contained in Public Law 413 shall be exercised only by the Agency head and shall not be delegable.

It should be noted that authority is sought only for those procurement authorities in Public Law 413 which are essential to the supplying of the peculiar needs of an intelligence service. Not all of the authorities of Public Law 413 have been requested. Of those requested special emphasis should be laid on the provision which raises the normal exemption from advertising provisions from \$100.00 to \$1,000.00. The lower limitation has caused the major procurement problems for CIA in the past. A variety of minor items not available through normal procurement channels is required for support of CIA activities. The bulk of this type of procurement falls below \$1,000.00 in the aggregate, but in large part exceeds \$100.00.

Of great importance to CIA is the exception from advertising for supplies or services which should not be publicly disclosed. Certain items are secret in nature or in the use to which put, and consequently advertising should not be used in their procurement. Furthermore, in contrast to normal Government procurement, some CIA equipment should not be standardized but should be diversified in order to insure the security of individuals and establishments of the Agency.

Section 4 (page 3, line 20) permits the Director to provide for special instruction or training for Agency personnel. It further provides for the payment of tuition and expenses for Agency personnel on such assignments. This language is substantially that of Sections 573(b) and 705 of the Foreign Service Act of 1946.

Section 5 (page 4, line 8) provides for travel, allowances and related expenses for Agency personnel assigned to permanent duty stations outside the United States. As it is considered desirable that employment in CIA be regarded as a career service, it is felt that the Agency has a problem similar to that faced by the Foreign Service in the assignment of personnel to duty abroad. Section 5, therefore, provides authorities,

similar to those granted in the Foreign Service Act of 1946, which are believed necessary to the development of an intelligence career staff. The language of Section 5 is taken verbatim from the appropriate sections of the Foreign Service Act of 1946, and these sections are designated in parentheses in this explanation.

Section 5(A)(1)(a) (page 4, line 12) provides for the payment of travel expenses for employees, including travel to and from the United States on statutory leave, which expense otherwise must be borne by the employee. (Section 911(1), Foreign Service Act).

Section 5(A)(1)(b) (page 4, line 17) provides for travel expenses of the employee's family accompanying him on authorized travel, including travel for statutory home leave. (Section 911(2), Foreign Service Act).

Section 5(A)(1)(c) (page 4, line 23) provides for payment of transporting an employee's household belongings from post to post and to his home on termination. (Section 911(3), Foreign Service Act).

Section 5(A)(1)(d) (page 5, line 3) is a recognition of the practical situation occurring in times of emergency which forces the employee to be absent from his official station or to store his belongings elsewhere, through no

fault of his own, resulting solely from the performance of his assigned duties. (Section 911(4), Foreign Service Act).

Section 5(A)(1)(e) (page 5, line 9) recognizes the difficulty in obtaining quarters immediately upon arrival at a foreign station, by providing for storage of belongings up to three months. (Section 911(5), Foreign Service Act).

Section 5(A)(1)(f) (page 5, line 15) recognizes the financial burden which an employee may suffer if it becomes necessary to move his family and household effects temporarily away from his post due to dangerous conditions. (Section 911(7), Foreign Service Act).

Section 5(A)(2) (page 5, line 25) authorizes the granting of statutory leave in the United States after two years' foreign service. It allows the employee, while in this country on leave, to be assigned to temporary duty in the United States for special purposes or re-orientation prior to returning to Foreign Service. (Sections 931(b) and 933(b), Foreign Service Act).

Section 5(A)(3) (page 6, line 15) provides for payment of shipping expense for private automobiles. (Section 913, Foreign Service Act).

Section 5(A)(4) (page 6, line 22) provides for the health of employees overseas by permitting the payment of travel expenses to the nearest adequate facilities when local medical facilities are inadequate, for the establishment of a first aid station and a nurse at a post where the number of personnel warrants such a station, payment for cost of treatment of illness or injury incurred in line of duty overseas, and for physical examinations and payment of the cost of administering inoculations or vaccinations. (Sections 941, 942(a) and (b) and 943, Foreign Service Act).

Section 5(B) (page 8, line 1) provides for allowances similar to those given to Foreign Service officers and employees, including living quarters allowance, cost-of-living allowances, extraordinary expenses and others. These allowances are controlled by regulations prescribed by the President. Exception is sought from 5 U.S.C. 70, which prohibits allowances of this type unless authorized by law. (Sections 901(1) and 901(2), Foreign Service Act).

Section 6(a) (page 8, line 11) provides for the annual financing of CIA operations without impairing security.

Section 6(b) (page 8, line 24) excepts the Agency

from the provisions of law which prohibit exchange of funds by any disbursing officer other than exchange of gold, silver, U. S. Notes and National Bank Notes.

Section 6(c) (page 9, line 1) provides for the assignment of personnel of other Government agencies to CIA and the reimbursement of those agencies for such services.

Section 6(d) (page 9, line 7) authorizes official CIA couriers to carry firearms when engaged in the transportation of documents and materials which vitally affect the national defense and security.

Section 6(e) (page 9, line 11) seeks exemption from limitations which permit no more than 25% of the first year's rental for leased property to be spent on permanent improvements and a further limitation of 15% of the fair market value as the rental which may be paid. These exemptions are sought to enable the Agency to expend required funds for security and special installations of leased premises, with a particular eye to the fact that these premises must on occasion be selected for certain technical uses which would make it impossible to consider several alternate sites or utilize general facilities for which there is competition. These limitations have in the past so hampered CIA on improvements to leased facilities as

to qualify the security of some installations.

Section 6(f) (page 9, line 19) seeks exemption from 5 U.S.C. 654 which requires the annual publication of a book entitled the "Official Register of the United States". This book contains full lists of all persons occupying administrative and supervisory positions in the Government, including their official title and station, their legal residence and annual compensation. The publication of this information would represent a serious breach of the security of the Agency.

The proviso of Section 6(f) (page 10, line 7) seeks exemption from the provision which requires the Director of the Bureau of the Budget to report the Agency's personnel ceilings quarterly to the Congress. While this section in no way alters the requirement that the Director of the Bureau of the Budget fix the Agency's quarterly personnel ceilings, it does prevent their publication. It has long been felt that knowledge of Agency personnel figures would enable the intelligence agencies of foreign powers successfully to estimate the size and scope of CIA operations.

Section 7(a) (page 10, line 14) establishes a point of reference to which the administrative and fiscal officers

of CIA and other appropriate officers of the Government may look to determine what expenditures are authorized in the course of supporting the activities of the Agency.

Section 7(b) (page 11, line 21) enables the spending of a portion of the money made available to the Agency for confidential purposes, to be accounted for solely by certification of the Director.

Section 8 (page 12, line 9) provides for the separability of the provisions of this Act.

Section 9 (page 12, line 15) provides the short title for the Act.

MAR 17 1948

Honorable James E. Webb
Director, Bureau of the Budget
Washington, D. C.

My dear Mr. Webb:

This is in response to your request for the views of this Department concerning the draft of a proposed bill submitted by the Central Intelligence Agency "To provide for the administration of the Central Intelligence Agency established pursuant to Section 102, National Security Act of 1947."

Aside from Section 6(h), the proposed bill would provide for the administrative structure and incidental authority of the Central Intelligence Agency which do not directly concern this Department.

Section 6(h) of the proposed bill would provide that whenever the Director of the Central Intelligence Agency shall determine that the entry of an alien into the United States for permanent residence is in the interest of national security or essential to the furtherance of the national intelligence mission, an appropriate consular office shall issue to such alien and his immediate family non-quota immigration visas as provided for in the Act of May 26, 1924, 43 Stat. 153, as amended, but without regard to the inadmissibility of such aliens to the United States under the Immigration Laws, or to the failure of the applicant to comply with such laws; and upon issuance of visas under the provisions of this section, the aliens to whom issued will not be denied entry to the United States because of inadmissibility or ineligibility under any provisions of law governing entry of aliens into the United States. The section contains a proviso that the number of visas issued to aliens and their immediate families under the authority of the section shall in no case exceed fifty in any one calendar year.

As you are aware, the Department of Justice is charged with the responsibility of enforcing the immigration laws. In addition to the admission and control of aliens, this responsibility includes the apprehension and deportation of aliens who

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are in the United States illegally or whose presence has been deemed undesirable under the law. Inasmuch as Section 6(h) would authorize the entry of aliens without the knowledge of this Department and without regard to their admissibility under, or compliance with the usual procedure of, the immigration laws, there would be no way for this Department to distinguish them from aliens whose presence is illegal. Consequently, they would be exposed to arrest and detention by representatives of this Department until their status was verified. It is suggested, therefore, that the first sentence of Section 6(h) of the proposed bill be amended to read, "Whenever the Director and the Attorney General shall determine, etc.." Such a provision would appear to serve the purpose of the section and at the same time eliminate the situation referred to above.

It is also suggested that the word "application" in Section 6(h) was intended to be either "applicant" or "alien".

Subject to the foregoing suggestions, this Department finds no objection to the proposed bill.

Sincerely yours,

Peyton Ford
The Assistant to the Attorney General

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29 March 1948

Section 2(c)(1). In time of emergency the intelligence operations would, with the Military Establishment, be the first activity to require expansion of a type to meet the exigency for which the emergency was declared. At that time any planning for emergency operations would be implemented by actual expansion of the Agency's activities and the procurement necessary to its support. Previous experience, particularly in World War II, of the Military Establishment and intelligence agencies has shown that procurement on such an emergency basis must be done by negotiation. This is ~~the~~ required by the need for utmost speed, need for adaptability to changing conditions and limitations on sources of supply, either through Government controls or shortages in such sources. Provisions of this Section would give blanket authority to negotiate under these circumstances. No such authority was in existence at the commencement of World War I and II. It was necessary for Congress to enact legislation conferring broad powers on the Executive and then for the Executive to implement by Executive Order such as Executive Order 9001 and extensions thereof by further Executive Orders. The time lost by these steps could be crucial under foreseeable contingencies. * In addition to the general conditions set forth above requiring blanket authority to negotiate, an intelligence service would

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have special considerations of security involved in operations peculiar to its assigned mission.

Section 2(c)(2). Where the public exigency will not admit a delay.

(Election equipment)

Section 2(c)(3). Where the aggregate amount does not exceed \$1,000.00. Due to the inadequate sources of stock in supply, resulting in large part from the emergency occasioned by World War II and the continuing increased inflationary cost of supplies and equipment of all types, the normal day-to-day operations of the Agency would be considerably handicapped without this authority, since a large portion of our routine procurement transactions fall within the limitation of \$1,000 and can no longer be met under the limitation of \$100 previously in effect with respect to advertising. In addition to the element of time, which is of utmost importance insofar as intelligence activities are concerned, there is ^{for} ~~the~~ consideration the considerable saving in manpower and administrative costs.

Section 2(c)(4). For personal or professional services. For the employment of services of specialists in connection with the production and/or research of various

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types of communication and other special equipment, utilization of specialists and firms or institutions dealing in either research or investigative work such as Dun & Bradstreet. There is also included in this category certain types of equipment used by the Agency's Reference Center which is somewhat an adaptation to existing IBM equipment, but is available only as a result of certain types of ~~quantitative~~ professional services.

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Section 2(c)(5). For service to be rendered by universities, colleges, or other educational institutions.

Section 2(c)(6). Supplies or services are to be procured and used outside the United States. In most foreign countries it is impossible to comply with the provisions of 3709 for the reason that local firms and vendors are not familiar with United States Government contract and procurement procedure, and to attempt to require normal compliance with advertising requirements would seriously impede local operations. In many cases equipment or supplies of a specialized nature can be procured locally if direct contact and negotiations can be carried on with certain sources of supply. In some instances it is even more economical and expeditious to procure locally equipment which might be available in the United States if the

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element of time were such as to permit its procurement and shipment.

(Local office equipment)

(Reuter's news service)

All types of housekeeping supplies and equipment which, for various reasons, could not be procured and/or shipped from the United States, can only be satisfactorily procured locally without regard to the provision of 3709.

Section 2(c)(10). For supplies or services for which it is impracticable to secure competition. If procurement of supplies or services have^s been effected from a known and trusted confidant representing himself as an individual or firm, and it is desired for security or confidential reasons to refrain from permitting additional sources to have knowledge of the Agency's activities or the type of services or supplies being procured, it would be most practicable, and economical, to continue to use the same source of supply since it would be obvious that the accomplishment of the Agency's ~~aim~~ objectives would be seriously impaired if any change in contractors or vendors were made. In this category would be included certain types of special operational supplies and equipment.

Section 2(c)(12). For supplies or services which should not be publicly disclosed. It should be noted that the

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authority granted in (10) which involves an impracticability to secure competition, is a determination which can be made by appropriate contracting officials of the Agency. However, certain types of equipment go beyond this to the point where the public disclosure would seriously impair the workings of the Agency and this is a decision which is ~~specifically~~ specifically reserved to the Director to make in the interest of national security.

Section 2(e)(15). For supplies where the bid prices of advertising are not reasonable or have not been independently arrived at.

Section 2(e)(17). For procurement otherwise authorized by law.

Section 5(A)(1)(a). Pay the travel expenses of officers and employees. This section provides for the payment of the normal travel expenses of the Agency's employees while in travel status to and from their foreign stations, as well as any travel incurred abroad in pursuance of their normal duties for the Agency and so that they may be paid for all travel expenses incurred in performance of official duties. While the payment of these expenses can be accomplished at the present time under normal

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provisions of law, including the standardized Government Travel Regulations, the important provision of this section will allow the Agency to pay for the expenses in connection with the granting of home leave. (This provision will be discussed in detail in connection with Section 5(A)(2), discussed below).

Section 5(A)(1)(b)

Section 5(A)(1)(c)

Section 5(A)(1)(d)

Section 5(A)(1)(e)

Section 5(A)(2). This section provides for the return to the United States on statutory leave American citizens who have completed two years of foreign duty for the Agency. In conjunction with Section 5(A)(1)(a) this allows the Agency to assume the costs of returning the employee to this country -- a cost which might, in many instances, be prohibitive for him to bear out of personal funds. In addition, it allows him to bring his family back with him on such leave, which is a tremendous morale factor. Were these provisions not included, it is probable that these employees would take their leave abroad, whereas it is felt to be extremely helpful to

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have them return to the United States for "Americanization". It gives the employees a chance to reorient themselves with their families here and their friends and to keep their roots in this country rather than transplanting them abroad.

Section 5(A)(2)(a) furthermore makes it possible for the Agency to order them on temporary duty at headquarters [redacted]

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[redacted] without such period of temporary duty counting against leave. This provides a means whereby, prior to returning an employee to foreign duty, he can be brought into the Agency for purposes of reorientation or special training, as well as making available to the Agency personnel the results of his overseas experience.

Section 5(A)(2)(b) takes into account the delays and difficulties sometimes attendant upon the securing of transportation returning to or leaving the United States which otherwise would normally have to be charged up against leave time.

Section 5(A)(3). This recognizes the fact that if you are transporting a career employee abroad together with his household and family he should also have available to him a private automobile, and it is obvious that this ~~is~~ could not be done at his own expense as it would place an undue burden on a person who lacks a large

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private income. As in a great many public and private jobs in the United States, it would greatly facilitate the work of the office or the individual to have a private automobile at his disposal.

Section 5(A)(4). Provisions of this nature permit you to obtain adequately trained and qualified personnel for various foreign posts, whereas if the authorities did not exist individuals would not desire, nor could be expected to perform duties at distant or out of the way posts of duty where adequate hospital and other medical facilities were not readily available. These provisions as a whole permit American citizens located abroad and recruited for specialized type of work to be given health protection in the same manner as they would at home.

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unusual routines or facilities have been used which are covered by the authorities granted in this section. The details with respect to the type of activity as well as the location of certain projects or activities can be held to a minimum number of authorized personnel with these authorities. The Board of Geographic Names operates on the basis of working funds established by contributing agencies and do not have an appropriation as such authorized by the Congress for the purpose of performing name research and ~~any~~ related types of work for interested intelligence services of the Government. The CIA, in coordination with other Government intelligence services, makes requests upon the BGN as a central servicing organization in this respect and in order to provide the BGN with the necessary funds, establishes working funds which are restricted from a security viewpoint to the extent that details as to types of research and location involved should ~~not~~ not be released as it might tend to indicate primary targets in which the Agency is interested.

Section 6(b). Section 3651 of the Revised Statutes provides that no exchange of funds shall be made by any disbursing officer or agent of the Government other than an exchange for gold, silver, United States Notes and National Bank Notes. This Section further provides for

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the suspension and removal from office of any disbursing officer or agent who violates this section. It is necessary to have exemption from this section of the Revised Statutes in order to provide appropriately designated disbursing agents of the CIA with authority to engage in foreign ~~market~~ commodity transactions at various points abroad where the intelligence objectives cannot be otherwise achieved. It is sometimes necessary to

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Section 6(e). (Assignment of personnel). While under normal provisions of law, the Agency, at the present time, has the authority to reimburse other Government agencies for services and personnel, nevertheless, certain exceptions could conceivably arise which could place the limitations on ~~Agency's~~ Agency's utilization of other Government personnel, and this Section is designed to give such special authority, thus eliminating the

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possibility of impairing expeditious operations. It is contemplated that this authority would supersede any general provision of current fiscal year appropriations which might prohibit detail and assignment of personnel. Consequently, in order to avoid difficulties in the future, it is desired that this basic authority be granted.

Section 6(d) Arming of Couriers. (Check FBI Statute).

Section 6(e) Rentals of real property and permanent improvements thereon. (Check)

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Section 7(b). In view of the nature of the work which must be conducted by the CIA under the National Security Act and applicable Directives, it is necessary to use funds for objects of a confidential, extraordinary or emergency nature for various covert or semi-covert operations and other purposes where it is either impossible to conform with existing Government procedures and regulations or conformance therewith would materially injure the national security. It is not practicable, and in some cases impossible, from either a record or security viewpoint, to maintain the information and data which would be required under usual Government procedures or regulations. In many instances, it is necessary to make

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specific payments or reimbursements on a project basis where the background information is of such a sensitive nature from a security viewpoint that only a general certificate, signed by the Director of CIA, should be processed through even restricted channels, since to do otherwise would obviously increase the possibilities of penetration with respect to any specific activity or general project. The ~~xxx~~ nature of the activities of CIA are such that items of this nature are recurring and, while in some instances the confidential or secret aspects as such may not be of primary importance, the extraordinary situations are the exigencies of the particular transactions involved ~~may~~ be such as to warrant the avoidance of all normal channels and procedures.

In addition to the need for a wide latitude in the expenditure of funds for objects of a confidential, extraordinary or emergency nature which would be appropriately controlled by the Bureau of the Budget under the provisions of 7(b)(2), there is also a definite need for the utilization of ~~a~~ funds without regard to the provisions of laws and regulations relating to the expenditure of Government funds, although normal Government procedures insofar as accounting requirements are concerned can be followed and security is not of primary importance.

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The need for performing the Agency's activities with the greatest possible expediency necessitates such an authority, for in the conduct of our activities it is impossible to determine from time to time, or in advance, when a situation will arise where the exercise of such ~~power~~ powers in the expenditure of Government funds may be required. In many instances the need for conforming with local customs in foreign countries, including the making of advance payments, will require the use of this authority. The numerous restrictive statutes which are applicable often handicap what should be considered as the normal intelligence operations of the CIA. With the authority to use this type of fund, any deviation from normal accounting procedures and regulations would be required, and it is intended that all vouchers covering such expenditures would be supported by administrative ~~just~~ justifications explaining the reasons why regular funds could not be used. The purchase of certain types of equipment which would be otherwise prohibited by law, may be required in order to refrain from impairing the Agency's operations. Situations may, as heretofore, arise where, in order to recruit specially qualified personnel for intelligence activities, it will be necessary to pay travel expenses of a limited number of new employees. It is ~~is~~ sometimes impractical to obtain required waivers from the Government Printing Office and the Federal Bureau of Supply, due to the need

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for immediate action. As indicated above, the utilization of this type of fund to avoid conforming with the laws and regulations pertinent to these matters would be used only when properly justified on the basis of the expediency involved, thus eliminating the need for using the funds made available under Section 7(b)(2).

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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

Handwritten initials: JEP, H&W

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APR 6 1949

My dear Admiral Hillenkoetter:

Confirming the oral advice heretofore communicated to members of your staff, I am authorized by the Director of the Bureau of the Budget to advise you that there would be no objection to the Central Intelligence Agency presenting, for the consideration of the Congress, the attached revised draft of bill entitled "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

Very truly yours,

~~Signature~~ Edwin E. Staff

Assistant Director,
Legislative Reference.

Rear Admiral R. H. Hillenkoetter,
Director, Central Intelligence
Agency,
Washington, D. C.

Enclosure: Revised draft of bill.

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